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DECEMBER, 1978

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Current History

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How are social, economic and political conditions changing in the nations of Southeast Asia since the withdrawal of the American military presence there? How are relations among these nations developing? What is China's role? Our introductory article points out that "The Sino-Vietnamese conflict, which reflects divergent geopolitical perspectives and historical animosity . . . is intertwined with the Sino-Soviet global conflict from which it sprang."

The Sino-Vietnamese Conflict in Southeast Asia

BY GARETH PORTER

Author, A Peace Denied: The United States, Vietnam and the Paris Agreement

THE most significant developments in postwar Southeast Asian politics have been the break-up of the alliance of Chinese, Vietnamese, Cambodian and Lao Communists against United States intervention and the emergence of a serious conflict in which China and Vietnam are the principal actors. The Sino-Vietnamese conflict, which reflects divergent geopolitical perspectives and historical animosity between the two peoples, is intertwined with the Sino-Soviet global conflict from which it sprang. Today, the Sino-Vietnamese conflict has begun to take on a life of its own. And the fighting between Vietnam and Kampuchea,¹ in which China is deeply involved, has been the single most important factor in raising Sino-Vietnamese tensions to the crisis point.

*The anti-hegemony clause, obviously directed at the Soviet Union, was first used in the United States-China Shanghai Communiqué of 1972, in which both countries pledged that neither would seek hegemony in the Asia-Pacific region, and that both would oppose efforts by any other country to do so.

¹The State of Democratic Kampuchea was proclaimed on January 3, 1976, replacing Cambodia in official usage. In referring to the country and people before that date, the more familiar "Cambodia" will be used, but "Kampuchea" will be used for the period after the new name was adopted.

²*Le Monde*, August 9, 1978.

³Chinese refugees from Vietnam, reflecting official Chinese views, told an interviewer that "pro-Soviet elements in Hanoi, influenced by Soviet intrigue, hastened the unification of north and south."

⁴See Gareth Porter, "China and Vietnam: Asia's New Cold War," *The Nation*, September 9, 1978, p. 210.

There were serious policy differences between China and Vietnam from the beginning of the Vietnam War. But the present conflict is directly related to China's decision in 1971 to improve relations with the United States. This fundamental shift in China's view of "the enemy" also implied a change in her view of Hanoi's close relations with Moscow. By 1975, China was trying to persuade Hanoi not to launch an offensive that would upset the power balance in South Vietnam.² The Chinese had hoped to see Vietnam remain divided for some years, believing that division would delay the development of a strong Vietnamese role in Cambodia and Laos.³

After the war, Vietnam still saw the United States as the primary threat to security and cooperation among Southeast Asian states, while China argued privately and hinted publicly that United States military power in the Pacific was necessary to prevent the Soviet Union from moving into the region to fill a power vacuum. As China normalized relations with Thailand and the Philippines in 1975, she warned each of them not to be hasty in requesting the withdrawal of United States military bases. At the same time, China sought to build a coalition of states which included the United States, Thailand, Kampuchea and China as a counterweight to Vietnamese influence on the Southeast Asian mainland.⁴

When Vietnamese Communist party secretary Le Duan visited Peking in October, 1975, the Chinese demanded Vietnam's agreement to the "anti-hegemony" clause,* to which the Philippines and Thailand had already adhered in joint communiqués

on the normalization of relations. Le Duan refused, and the visit ended prematurely on a note of extraordinary tension, with neither the usual Vietnamese return banquet nor a joint communiqué. Le Duan went on to Moscow, where he negotiated a major new economic aid agreement, on which the Chinese had been noncommittal.⁵

Chinese leaders then took two steps that indicated their extreme irritation with the Vietnamese. First, they informed the Vietnamese that they would not provide any further grant assistance, despite a pledge by China's Premier Chou En-lai in June, 1973, to continue the grant program for five more years.⁶ Second, they warned in menacing tones that they would not permit the Vietnamese to occupy any of the Spratly Islands, which had been claimed by both China and Vietnam and which the Vietnamese revolutionary forces had taken over from the South Vietnamese government in their final offensive.⁷

Peking apparently calculated that firmness toward Vietnam would help reverse what it regarded as Vietnam's pro-Soviet tilt. Instead, the Vietnamese turned more decisively to Moscow for support. In 1976, a Vietnamese party spokesman told a Swedish journalist that Vietnam was clearly leaning toward Moscow for the first time, in reaction to Chinese pressure.⁸

What brought the relationship to the crisis stage, however, was Vietnam's conflict with Kampuchea, which had become China's close ally and the focal point of Chinese opposition to any increase in Vietnamese influence in Southeast Asia. Kampuchean and Chinese perceptions of Vietnamese intentions

⁵See Sheldon Simon, "Peking and Indochina: the Perplexity of Victory," *Asian Survey*, May, 1976, p. 403.

⁶Note from the government of the Socialist Republic of Viet Nam to the government of the People's Republic of China, May 18, 1978.

⁷Shih-Ti-tsui, "The South Sea Islands Have Been China's Territory since Ancient Times," *Kuangming Daily*, reprinted in New China News Agency, November 26, 1975.

⁸"Vietnam: Editor Outlines Relationship with PRC, USSR," *Defense and Foreign Affairs Daily*, July 13, 1976, p. 2.

⁹On the historical background of Vietnamese-Cambodian relations before the twentieth century, see Roger Smith, *Cambodia's Foreign Policy* (Ithaca, N.Y.: Cornell University Press, 1965), pp. 10-15.

¹⁰This paragraph is based on *Dossier Kampuchea I* (Hanoi: Le Courrier du Vietnam, 1978), pp. 92-97, which quotes from the party resolutions. On early ICP discussions on the "national" question, including its application in Indochina, see George Modelski, "The Viet Minh Complex," in Cyril E. Black and Thomas P. Thornton, eds., *Communism and Revolution: The Strategic Uses of Political Violence* (Princeton, N.J.: Princeton University Press, 1964), fn. 17, p. 191.

¹¹Interview with a high Vietnamese official by Cora Weiss, Hanoi, May 25, 1978.

¹²*Ibid.*

¹³Interview with Ieng Sary by a delegation from *The Call* (Chicago), the newspaper of the pro-Chinese Communist party (Marxist-Leninist) in April, 1978, August 28, 1978.

have undoubtedly been shaped by Vietnam's expansion into what had been Cambodian territory, i.e., Vietnam's occupation of Cambodia in the nineteenth century,⁹ and by the colonial-era Vietnamese Communist idea of an "Indochinese Federation."

From the time the Indochinese Communist party (ICP) was formed in 1930, it had officially supported the concept of a federation of the three Indochinese countries—Vietnam, Cambodia and Laos—after their liberation from the French.¹⁰ The Vietnamese would, of course, dominate any such federation, because of Vietnam's greater size and population as well as her more advanced economic and social development. Subsequent party resolutions in 1935 and 1941 had established the principle that each of the three nations would have the right to decide whether to join such a federation or to remain independent. After the Geneva Conference of 1954, the Vietnamese let the federation idea lapse and never revived it. Nevertheless, the current Kampuchean party leaders are convinced that the Vietnamese party has not fundamentally changed its desire for a federation of the three states.

Kampuchea's leaders also fear Hanoi's domination because of Vietnamese tutelage over the Cambodian Communist movement from its beginnings up to the 1960's and because of the enduring legacy of Vietnamese influence in the party. The Indochinese Communist party (ICP) had few Cambodian members until it became involved in Cambodia during the resistance against the French. By 1951, the ICP judged that the creation of separate parties in each of the three countries of Indochina was both feasible and necessary to mobilize the anti-French struggle in Laos and Cambodia. But even after 1954, the Vietnamese continued to dominate the strategy of the "Khmer People's Revolutionary party" through Cambodian leaders who were formerly members of the ICP. These Cambodian Communist leaders consulted with the Vietnamese party leadership regularly, and Vietnamese sources indicate that there was a single political line throughout the 1950's.¹¹

The strategy advocated by Vietnam and adopted by the Cambodian party was to support Cambodian Prince Sihanouk because of his anti-American policies. By 1960, that strategy had created great resentment in the Cambodian party. Sihanouk launched a determined campaign to repress Communists during that period, eliminating all but about 10 percent of the party's membership.¹² Among those who survived were younger Communists like Pol Pot, Ieng Sary and Son Sen, who had studied Marxism in France rather than in the ICP. According to Sary, now Deputy Premier of Kampuchea, he and others in this group rejected Soviet Premier Nikita Khrushchev's 1956 thesis on the "peaceful transition to socialism" and opposed as "revisionist" the Vietnamese policy of supporting Sihanouk.¹³

When Pol Pot became the party's First Secretary in 1963, the old pattern of relations between the Cambodian and Vietnamese parties was broken. Pol Pot's first trip to Hanoi as party secretary in 1965 revealed the gulf that separated Cambodian and Vietnamese Communist leaders. While the Vietnamese continued to urge the Cambodians to support Sihanouk on external policy and to struggle only against Sihanouk's internal policies, Pol Pot advocated armed struggle against Sihanouk's regime. The Cambodian delegation went on to Peking, where Pol Pot made his first contacts with Chinese leaders.¹⁴ Pol Pot must have found China's Chairman Mao Tse-tung and China's Premier Chou En-lai more sympathetic to his views, since Cambodian and Chinese leaders agreed on the importance of eliminating "revisionists" from their parties and were outspokenly critical of Vietnamese policies. In June, 1967, the Cambodian party began to make plans for armed struggle, still over Vietnamese objections.¹⁵

The military coup against Sihanouk began a five-year collaboration between Vietnamese and Cambodian Communists, which the Cambodians accepted with great reluctance. If Vietnamese troops operated in Cambodia, the Cambodian leaders knew that those elements in their party who had been in the ICP, and who opposed the Pol Pot line would be strengthened. At first, Pol Pot asked the Vietnamese troops, which had consolidated control over the entire eastern border area in March and early April, 1970, to leave Cambodia, except for some military advisers. But the Vietnamese convinced China that China had to support Vietnamese military participation in Cambodia behind a resistance government headed by Prince Sihanouk.¹⁶ The Cambodian party agreed to cooperate with the Vietnamese, but vowed to continue to "struggle" with them over major political issues.¹⁷

A major source of tension during the war was the

¹⁴Interview with a high Vietnamese official.

¹⁵Interview with Ieng Sary.

¹⁶Interview with a high Vietnamese official.

¹⁷Unpublished notes of the interview with Ieng Sary by Daniel Burstein, editor of *The Call*.

¹⁸Timothy Michael Carney, *Communist Party Power in Kampuchea (Cambodia), Documents and Discussion*, Cornell University Southeast Asia Program, Data Paper no. 106, January, 1977, p. 7.

¹⁹*Dossier Kampuchea*, pp. 126-127. This official Vietnamese source quotes Pol Pot as explaining the Cambodian attack to Hanoi as the result of his troops' "ignorance of local geography."

²⁰This account is based on the interview with Ieng Sary in *Le Monde*, July 30-31, 1978; R.-P. Paringaux, *Le Monde*, March 31, 1978; *Dossier Kampuchea*, pp. 127-128.

²¹*Peking Review*, August 22, 1975, pp. 6-12.

²²*Dossier Kampuchea*, p. 128.

²³Hanoi Radio, February 21, 1978. Paringaux quotes Vietnamese sources as giving the figure of "nearly 200,000 men," compared with "a few regiments" in 1975. *Le Monde*, March 30, 1978.

return to Cambodia of some 4,000 "Khmer Viet Minh," who had fought against the French in the resistance and had fled to North Vietnam after the Geneva settlement of 1954. Cambodian Communist leaders needed these Vietnamese-trained Cambodian cadres to organize an effective Cambodian military force, but they feared that these cadres would tip the balance within the movement in favor of the Vietnamese-oriented faction. In 1973, the Pol Pot group began to carry out a selective purge in the military, removing and in some cases killing these "Khmer Viet Minh."¹⁸

Relations between Vietnam and Cambodia were relatively amicable during the first postwar months, despite the Cambodian occupation in early May of Phu Quoc and Tho Chu islands, which the Vietnamese repulsed at the end of that month.¹⁹ During visits by Pol Pot to Hanoi in June, and by Le Duan to Phnom Penh in August, 1975, the leadership of the two parties discussed the future relationship between their countries.²⁰ The Vietnamese asked for a "special relationship" with Cambodia, based on their history of common struggle. They sought Cambodian cooperation on foreign policy issues, including opposition to the Association of Southeast Asian Nations (ASEAN), which was considered a United States-sponsored military alliance, and proposed economic cooperation, offering Vietnamese technical assistance. The Cambodians rejected these proposals but suggested the conclusion of a treaty of friendship that would deal with trade, free movement across the border, and a boundary settlement. Contrary to Phnom Penh's subsequent propaganda charges, the Vietnamese did not raise the question of an "Indochinese Federation."

Cambodia's rejection of the Vietnamese plea for common foreign policy positions was followed by Cambodia's agreement in August, 1975, to a joint communiqué with China that accurately reflected the Chinese world view. Declaring that "The contention for world hegemony between the superpowers is becoming more and more intense," the communiqué followed the lines of previous Chinese pronouncements²¹ and put Cambodia squarely in the Chinese camp. This was apparently the conclusion of a debate in the Cambodian party over the question of overt alignment with China. The idea of a friendship treaty with Vietnam was never raised again by Cambodia, despite Vietnamese indications of interest in proceeding with negotiations.²²

The decision to side openly with China was probably related to the major buildup of Cambodia's armed forces that began in 1975. The buildup added 12 divisions to Cambodia's army, according to the Vietnamese, with the Chinese providing major military assistance in equipment and training.²³

Although Cambodian leadership's policy toward Vietnam had already become decidedly cooler and more distant, in 1976 the new State of Democratic

Kampuchea agreed to negotiate with Vietnam on the question of their common border. At the May, 1976, preliminary meetings between delegations of the two parties, both sides agreed that the land border would follow the last French map of Indochina and that the Brevie line, a 1939 decision by a French colonial administrator that divided administrative responsibility for five islands in the eastern gulf of Thailand between the colonial government in Cambodia and in Cochinchina, would be the basis for determining sovereignty over the islands. But the Vietnamese would not accept the Cambodian demand that the Brevie line also be accepted as the sea boundary between the two countries, arguing that it was never meant to settle that question.²⁴

This Vietnamese insistence on further negotiations to determine the sea boundary was regarded by the Cambodians as a confirmation of their fear that the Vietnamese were trying to take away part of their territorial waters. Taking the Brevie line as their final position, the Cambodian leaders shared Prince Sihanouk's view that even the least concession on territorial issues by Cambodia would lead to a "sense of impotence toward the expansionist aims of her neighbors."²⁵ While continuing to make obeisance to "solidarity" with Vietnam, Cambodian leaders never resumed discussions on the border and instead began to gird themselves for a future confrontation with their stronger neighbor.

What Cambodian leaders feared most in 1976 was not Vietnamese military aggression but opposition within their party and government to their domestic and foreign policies. Thus the Pol Pot leadership did little to discourage revenge against former Lon Nol personnel, refused foreign medical and other assistance except from China, and adopted a paranoiac attitude toward the presence of "spies and saboteurs" in their midst.²⁶ The result was widespread dis-

²⁴ *Dossier Kampuchea*, pp. 128-132. For background on the Brevie line, see Victor Prescott, "Asia's Maritime Boundary Problems," *Dyason House Papers* (Melbourne), vol. 2, no. 4, March, 1976, p. 2.

²⁵ *Kampuja* (Phnom Penh), June 15, 1969. I am indebted to Steve Heder, Cornell University, for this quotation, which he used in a private communication on Cambodian border policy.

²⁶ While information on the Pol Pot regime's policies and on political, economic and social conditions in Kampuchea remains extremely fragmentary and leaves many questions unanswered, the most complete sources now available are Francois Ponchaud, "*Cambodge: anee zero*" (Paris: Juillard, 1977), and the collection of interviews with Cambodian refugees and extracts from reports by the United States Embassy in Bangkok, submitted to the United Nations Commission on Human Rights, July 6, 1978, by the United States Department of State.

²⁷ For information on the plotting gleaned from refugees, see Anthony Paul, "Plot Details Filter Through," *Far Eastern Economic Review*, May 19, 1978. For Kampuchea's charges, see Phnom Penh Radio, January 15, 1978, and January 24, 1978.

sension, particularly in the army where Vietnamese-trained cadres were still prominent. Opposition forces planned a coup d'état, which was discovered by the government in September, 1976. Cambodia said later that the plot had been staged by the Vietnamese through "agents whom they recruited long ago"—apparently meaning former ICP members and cadres trained in Vietnam.²⁷

The discovery of the plot spurred Pol Pot's group to carry out a new and more thoroughgoing purge of the party and army, to eliminate all those suspected of a pro-Vietnamese orientation. By early 1978, according to the Vietnamese, "almost all" the Kampuchean cadres who had returned from Vietnam beginning in 1970 had been executed, and five of the twenty members of the Kampuchean party central committee and a number of high-ranking military commanders had also been killed.

The purge coincided with the launching of strong attacks by Kampuchean armed forces on Vietnamese border settlements in January, 1977. At the same time, Kampuchea ended all contacts between liaison committees in the Kampuchean and Vietnamese border provinces. A Vietnamese proposal for immediate high-level negotiations to end the border attacks was turned aside by the Cambodian party with the argument that Vietnam had to end her "aggression" first, in order to create the necessary atmosphere of "mutual confidence."

After a major Kampuchean attack in late September along the 240 kilometer border of Vietnam's Tay Ninh province, which penetrated six miles into Vietnamese territory, Hanoi sent an envoy to Peking to try once more to reach an understanding with Kampuchean officials. When that mission failed, Vietnam launched a multi-divisional offensive into Kampuchea in October, 1977, to convince the Pol Pot government that it had to end the border attacks. After three months of fighting in Kampuchea, Vietnam withdrew her forces and proposed that both sides pull their forces back five kilometers from the border and agree to international supervision of a truce. Kampuchea rejected the proposal; in a diplomatic note in May, 1978, Kampuchean leaders demanded that Vietnam end all her actions against Kampuchea, including her "plan to integrate Kampuchea into an Indochinese Federation," for a period of seven months, as a precondition to any peace talks.

The Vietnamese held China responsible for Kam-
(Continued on page 226)

Gareth Porter is the author of *A Peace Denied: the United States, Vietnam and the Paris Agreement* (Bloomington: Indiana University Press, 1976) and a two-volume compilation of documents on the Vietnam war, to be published in December, 1978. He is now working on a book on the Sino-Vietnamese conflict.

Is Cambodia a "noble experiment" or an adventure in brutal barbarism? "Little reliable information emanates directly from the war-torn country," notes this specialist, who warns that "Democratic Kampuchea (Cambodia's current title) is essentially a closed society except for a few invited delegations whose movements are closely controlled."

Cambodia: Barbarism in a Small State under Siege

BY SHELDON W. SIMON

Professor of Political Science, Arizona State University

CAMBODIA is a conundrum. The country's champions see it as an embattled David, surrounded by predators bent on overthrowing its government and annexing its territory. They applaud its "noble experiment" in radical agrarian egalitarianism, viewing it as a means by which a poor, rural society can move directly to communism. Cambodia's detractors, on the other hand—from both the right and the left—claim that the country has been taken over by madmen who have spent so many years in the jungle that they have lost all sense of reality and humanity. They abhor the barbarism these leaders have visited on their own population, insisting that as many as two million of what had been a population of almost seven million have been brutally murdered as a matter of conscious policy since the Khmer Rouge victory in April, 1975.

There are elements of truth in both views, more in the latter than the former. It is not easy to assess the domestic and foreign policy situations in strife-torn Cambodia, because little reliable information emanates directly from the war-torn country. Democratic Kampuchea (Cambodia's current title) is essentially a closed society except for a few invited delegations whose movements are closely controlled. The information base for this article, then, is limited to diplomatic handouts, refugee reports and media commentaries from Cambodia, her allies and her antagonists. Readers should be aware of the difficulties in verification.

A country known historically for its gentle culture has seemingly run amok since 1970. The pogroms against Vietnamese residents, undertaken in 1970 under the auspices of President Lon Nol's right-wing

regime, have been replaced by massacres against Cambodia's own population by the current ultra-left political leadership. One reason for this bloodletting may be the paranoid super agrarian radicalism of the Khmer Rouge leaders of the Angkar (Organization), whose doctrine combines xenophobia with a suspicion of all Cambodians who are not poor peasants. The Angkar insists that a self-sufficient decentralized agrarian society is the antidote to Kampuchea's shameful weakness and dependency. Thus anyone who has been associated with the cities, with foreigners, or with intellectual, business or technical activities is tainted and must either be reformed through hard labor in the countryside or liquidated. Estimates of the numbers who have fallen victim to this holocaust range up to two million (600,000 others died during the Indochina War, many of them victims of American bombing).¹

In late September, 1977, the Angkar, which has ruled Cambodia since April, 1975, acknowledged that it was, in fact, the Cambodian Communist party (KCP). The party's dominant figures include Pol Pot (Prime Minister, secretary of the party central committee, and vice chairman of the armed forces—previously known as Saloth Sar); Nuon Chea (chairman of the standing committee of the Cambodian People's Representative Assembly and deputy secretary of the standing committee of the KCP central committee); Ieng Sary (Deputy Prime Minister in charge of foreign affairs and a member of the standing committee of the KCP central committee); Son Sen (Deputy Prime Minister of national defense and KCP central committee standing committee member); Vorn Vet (Deputy Prime Minister in charge of economic affairs and KCP central committee standing committee member); and Khieu Samphan (KCP cen-

¹Smith Hempstone, "The Need To Bear Witness to Cambodia's Holocaust," *The Washington Post*, May 7, 1978.

tral committee standing committee member and ceremonial Head of State).

Most of the top elite are drawn from the student generation educated in Paris in the early 1950's, who took part in the radical student politics of that period. Together, they fled Prince Sihanouk's Phnom Penh for the Vietnam border provinces, where they organized and nurtured an agrarian revolutionary movement for over a decade before they saw an opportunity to seize power.

In a history of the party's struggle broadcast in September, 1977, Pol Pot described the creation of revolutionary bases in the countryside during the 1960's and their periodic destruction by Lon Nol's army. Ultimately, he claimed, the party created impregnable bastions in 1970, with over 50,000 guerrilla fighters. Using these as an army of cadres, the party spent five years increasing its numbers, fighting against the United States-supported Lon Nol government until its victory in 1975. No mention was made in this account of either Chinese or Vietnamese assistance.²

Reports of purges within the Cambodian revolutionary movement are rife. Three groups have been identified, two of which have reportedly been liquidated by the third. The victors are the Paris-trained intellectuals who fled to the countryside in the early 1960's. Allied with them during the Cambodian War were Sihanouk supporters and old guard Communists who had been active in the Vietminh resistance against the French. The Sihanoukists, who for the most part lived in Peking during the war, refused to return to Cambodia at its end, claiming that the Khmer Rouge had abandoned its original agreement with them. The Vietminh-associated old-guard Communists were castigated because their allies had urged a negotiated settlement with Lon Nol after the 1973 Paris agreement for a cease-fire in Vietnam.

Throughout 1976 and 1977, refugee accounts from Thailand indicated that Khmer Rouge members who had displayed a pro-Vietnam bias or had worked with the Vietminh at some point in their careers were being liquidated.³ The purges affected all levels of party organization and probably contributed to the admin-

²Pol Pot's speech was broadcast by the Phnom Penh Domestic Service in Cambodian, September 28, 1977.

³This discussion of Khmer Rouge factionalism is drawn from Thach Xuong, "Essay on Power Struggle in Kampuchea," *Cambodian Appeal* (Hyattsville, Maryland), November, 1977, pp. 4-6. Also see Karl Jackson, "Cambodia, 1977: Gone to Pot," *Asian Survey*, January, 1978, p. 81.

⁴Fox Butterfield, "Cambodian Offers Evacuation Motive," *The New York Times*, October 5, 1977. Pol Pot's Peking press conference was transmitted by the New China News Agency (NCNA), October 3, 1977.

⁵Ian MacKenzie, "Cambodia Lifts Curtain on Red Rule," *Christian Science Monitor*, November 11, 1977.

⁶Cambodian Deputy Prime Minister Ieng Sary interview with *L'Espresso* (Rome), May 8, 1977.

istrative and economic disorganization of the society already affected by previous expulsions.

Leadership paranoia was apparent in the explanations given for the tragic evacuation of Phnom Penh and other cities, which began on the day the war ended, April 17, 1975. Several million urban residents, including the invalid and elderly, were herded into the countryside without warning. Many reportedly died from sickness, exhaustion and hunger. Over two years later, Pol Pot spoke of the evacuation, explaining that it was necessary in order to break up "enemy spy organizations," presumably referring to Cambodians who had been friendly with the Vietnamese as well as to Lon Nol's supporters.⁴ Later, however, the Prime Minister tried to ameliorate the negative impact of his first explanation, claiming that the forced urban exodus occurred because the Communist guerrillas were unsure of their ability to administer cities swollen by thousands of war refugees.⁵ Ideological explanations to domestic audiences on the evils of bourgeois life in the cities were not repeated for the international press.

The party's ultranationalist style is reflected in its historical accounts, which completely omit the role played by the Ho Chi Minh-led Indochina Communist party in introducing Marxism-Leninism to Cambodia and North Vietnam's contribution to the KCP's fight against the Lon Nol regime.

As Ieng Sary said in 1977, the transformation of Cambodian society has no model:

The Cambodian revolutionary experience is unprecedented. What we are trying to bring about has never occurred before. That is why we are not following any model, either Chinese or Vietnamese. We are reorganizing the country, taking agriculture as the base; and with what we are able to recover we are building an industry whose aim is, in any case, to serve agriculture. The Cambodian people have had their own experience in the paddies for centuries, and we must start with the paddies.

The population is organized into cooperatives responsible for distributing food, clothing, and medical supplies. There is no money. The concept of private property has been abolished. There are no newspapers, only weekly sheets which circulate among the leaders. The old educational system has been abolished The schools are in the cooperatives and the factories because the pupils study 2-3 hours a day and gain experience at manual work at the same time.⁶

This strikingly ingenuous statement sums up the radical egalitarian social system introduced by the Angkar, which apparently originated in the agricultural cooperatives formed in Cambodia's eastern base areas in the early 1970's. Collectivization has become Cambodia's primary form of social organization. In a movement far more radical than China's "people's communes" two decades earlier, in 1977, the KCP abolished private households replacing them with communal kitchens and sexually segregated living

quarters. The cooperatives serve as a nationwide surveillance network, undertaking mutual responsibility for members' behavior. By 1978, the Cambodian government declared that at least 2.5 million people, one-third of the population, were organized in this manner and were at work in the countryside, building dams and other irrigation projects.⁷

The transformation of Cambodia into an agrarian command society has the cultivation of rice as its major goal, not only for subsistence but also as the country's leading export; rice is to earn the foreign exchange needed to rebuild the manufacturing sector of the economy. For the past three years, the population has labored to create a massive earthen irrigation network which, because it lacks cement reinforcement, must be repaired after each rainy season.

Cambodian authorities claim bumper rice crops. Yugoslav journalists reported seeing full silos in 1978, but they noted an inability to move the rice from its harvest location to other areas because of poor roads and a lack of transportation. The government claims that everyone receives approximately one kilogram of rice daily; but refugee reports from both Thailand and Vietnam claim that, in fact, rations are half that amount. Refugee tales abound of virtual slave labor conditions under the direction of Angkar youths who hold the authority of life and death over their charges. Moreover, the absence of French-speaking people and the generally peasant character of the refugees interviewed in Thailand lend credence to reports that the Khmer regime has liquidated the educated classes and that urban dwellers have been unable to survive.

There are even some reports that long-term malnutrition has led to a drop in birth rates, particularly in the north, where drought and food maldistribution are said to be particularly severe.⁸ Virtually all refugees arriving in Thailand appear to be suffering from one or another degenerative disease.

⁷The cooperatives' roles are discussed in the Phnom Penh Domestic Service, May 19, 1978. This broadcast also states that in 1975 "nearly three million people came from the cities" and had to be integrated into cooperative organizations. See, too, a Yugoslav film report telecast by JOAK-TV (Tokyo), May 21, 1978.

⁸See the reports by Henry Kamm in the *The New York Times*, May 10 and 13, 1978; the *Far Eastern Economic Review*, (FEER), May 12, 1978, p. 14; the Hanoi Domestic Service, March 10, 1978; and Hanoi Radio in Cambodian, April, 22, 1978. Also the calculations made by Karl Jackson, *op. cit.*, indicate that even using regime production claims, if export plans are met, the population would be left with only 250-300 grams per capita per day for consumption in 1978.

⁹David Andelman, "Refugees Depict Grim Cambodia Beset by Hunger," *The New York Times*, May 2, 1977; and Fox Butterfield's report in the same newspaper, September 30, 1977.

¹⁰Phnom Penh Domestic Service, June 30, 1978.

¹¹Nayan Chanda, "Phnom Penh Buys for Recovery," FEER, June 2, 1978, p. 42.

In interviews, they have stated that doctors and schoolteachers were among those members of the "old aristocracy" first executed by Angkar, leaving no organized medical care for the population.⁹

Concern over Cambodia's international image after publicity about the travail of thousands of refugees in Vietnam and Thailand led to an uncharacteristic official admission of excesses perpetrated by "some bad personnel," who are now instructed to provide the population with regular hours for work, rest and study.¹⁰ In discussing the 1978 rice harvest, the state radio urged that sufficient amounts be allocated for "protecting and feeding our manpower well at all times," implying that this was not the case in the past. New agricultural plans also call for the expansion of livestock, poultry and vegetables.

ECONOMIC EXPANSION

While Cambodia is the only nation in the world without a currency, in 1977 Cambodian officials began to move away from extreme autarky, purchasing goods through Hong Kong by means of a line of Chinese credit. China, Kampuchea's link to the world economy, has provided an estimated \$1 billion in postwar reconstruction loans and about 10,000 technical personnel for air, rail and electrical reconstruction. In 1977, Cambodia's exports covered only 3.6 percent of her imports, the remainder being paid for by China. That year, \$19 million worth of imports were purchased through Hong Kong, Singapore and Japan. Most notable have been purchases of industrial materials, chemicals, petroleum products, construction material, and the elements required for processing agricultural goods. Pol Pot has stated that Cambodia's objective is the export of rice in exchange for manufactured goods that will serve both industry and agriculture. Nevertheless, Cambodia's minimal exports in 1977, totaling \$680,000, consisted mostly of rubber, kapok, and dried fish, suggesting that rice is still essentially a subsistence crop.¹¹

POLITICAL INSTABILITY

The primary challenge to KCP control of the country is, of course, Cambodia's border war with Vietnam. Angkar leaders see that war, correctly, as a struggle for survival; there is little doubt that the Vietnamese want to replace Kampuchea's current leadership with one willing to accept Hanoi's political tutelage. Cambodia's fear of Vietnam accounts for refugee reports of purges within the army and party in 1977 and 1978 directed against those who had previous contact with the Vietnamese or had been associated with the regimes of Sihanouk or Lon Nol.

There is little doubt that the Vietnamese could invade and occupy much of Cambodia should they so choose. In 1977, Vietnam had an army of over 600,000

(compared to Cambodia's 90,000) plus an armed militia of 1.5 million in reserve. Vietnam's weaponry includes some 900 Soviet tanks. (Another 600 United States tanks and 1,200 armored personnel carriers were presumably seized by Hanoi on the defeat of the South Vietnamese army.) Vietnam's air force has 310 combat aircraft, not counting those captured from South Vietnam, which included A-37 fighter bombers reportedly employed during the January, 1978, invasion of Svay Rieng province (the Parrot's Beak).

Tens of thousands of Cambodians have taken refuge in Vietnam over the past three years. Many of these refugees are reportedly being trained by the Vietnam People's Army (VPA) for reinfiltration or to serve as an occupation administration in Cambodia's eastern provinces should Hanoi choose to annex that area by military invasion.¹²

Ever since Vietnamese raids into eastern Cambodia began in September, 1977, the KCP has charged that

wherever they [the Vietnamese] have intruded, they have destroyed the administrative apparatus of the Cambodian people . . . and installed in their places remnants of the hooligans of the old Cambodian society, appointing them commune and village chairmen.¹³

These allegations are probably based on memories of the political apparatus constructed by the Vietnamese Communists in the mid-1960's on the eastern Cambodian segment of the Ho Chi Minh Trail. In this area of some 3,500 square kilometers, the Vietnamese appointed sympathetic Khmer officials; collected taxes, controlled population movement, imposed forced grain sales, and supervised trade.

Accusing Vietnam of having "always despised and looked down upon the Cambodian people and the Cambodian Revolutionary Army," the Khmer Radio has broadcast the alleged confessions of captured Vietnamese soldiers who recounted plans for the occupation of Cambodia.¹⁴

By April, 1978, the world press reported Vietnam Radio appeals to Cambodian front-line troops to cross over to Vietnam for training as liberation forces to be sent back to Cambodia. At the same time, there were

¹²See the allegation made by the Cambodian Information and Propaganda Ministry, Phnom Penh Domestic Service, June 24, 1978. Some analysts believe that pro-Vietnamese Cambodians were able to gain control of parts of the Parrot's Beak by the summer of 1978 under VPA protection. See *FEER*, July 28, 1978, p. 27.

¹³Statement by the Cambodian Information and Propaganda Ministry, Phnom Penh Domestic Service, January 6, 1978.

¹⁴Phnom Penh Domestic Service, January 8 and March 10, 1978.

¹⁵Frederic A. Moritz, "Viet Target: Phnom Penh Regime," *Christian Science Monitor*, April 6, 1978; Henry Kamm, "Ongoing Conflict in Indochina," *The New York Times*, April 30, 1978; and Fox Butterfield, "Vietnam's Leadership . . . Shows Solidarity," *ibid.*, June 19, 1978.

indications that Hanoi was following a similar policy with respect to captured Khmer soldiers and the thousands of refugees who had fled to Vietnam after the border fighting intensified in 1977. (Until that year, Vietnam had been returning refugees to the Cambodian authorities.) Some analysts believe Hanoi's strategy has been to weaken the Cambodian government through battlefield casualties and defections, while working to create an army of sympathetic Cambodians to supplant the present leadership.¹⁵

But the question remains: Will enough Cambodians agree to collaborate with the Vietnamese? Or will a Vietnamese-sponsored insurgency backfire and create a wave of nationalistic sentiment in support of the harsh Angkar? Historically, Vietnamese efforts along these lines have not been successful. Many of the 4,000 to 5,000 Cambodians, trained in North Vietnam in the 1950's and 1960's and sent back to Cambodia, are reported to have been executed by the current government. And some of those who managed to escape have expressed strong resentment against the Vietnamese, who treated them as inferiors.

Moreover, the Cambodians may be returning some of Vietnam's subversion tactics in kind. Phnom Penh has publicized the existence of opposition forces in southern Vietnam, consisting of minority ethnic groups and former South Vietnamese government personnel, implying that Cambodian forces are cooperating with these dissidents—strange bedfellows indeed.

CAMBODIA'S DIPLOMATIC STANCE

Until 1977, Cambodia remained essentially a diplomatic recluse, receiving few foreign delegations other than China's and sending even fewer abroad. Vietnam's more sophisticated diplomatic apparatus and her ability to tap a large number of pro-Soviet international organizations gave Hanoi a significant propaganda advantage in presenting Vietnam's case against Cambodia to a world audience.

While Hanoi hosts numerous diplomatic missions, including three from the United Nations, Phnom Penh remains a virtual ghost town. Its seven embassies are confined to one street, sealed off at both ends by barbed wire. According to United Nations official Alexander Casella:

Diplomats are not permitted to move beyond their street or to visit one another without a special permit. When they want to meet, they must do so in the street. Once a day a cooked meal is delivered to each embassy door. The menu is the same, day after day, month after month.

Even diplomatic pouches are examined by Khmer authorities before they leave the country.

Because such treatment is scarcely designed to win international sympathy, the Chinese have prodded the Cambodians to expand their relations with out-

siders. And over the past two years, in addition to a number of pro-Peking splinter groups, Phnom Penh has received official delegations from Thailand, Malaysia, Singapore, Romania, and Yugoslavia, while Khmer officials have visited Japan, North Korea and the United Nations, and attended the July, 1978, nonaligned foreign ministers' conference in Belgrade. These visits have provided occasions to stress the importance of Cambodia's independence in a peaceful Southeast Asia and to warn that Vietnam's plan to annex Cambodia is merely a step along the road to Vietnamese hegemony throughout the region. Cambodia has also endorsed the Association of Southeast Asian Nations (ASEAN) concept of creating a zone of peace and neutrality in Southeast Asia, which, according to Pol Pot, would free the region "from all forms of interference and intervention of the imperialist and expansionist powers and their supporting cliques."¹⁶

Cambodia's importance to Asian politics revolves around the question of whether her limited war with Vietnam may spill over into other parts of Southeast Asia. That war is already linked to the Sino-Soviet confrontation because each large Communist state is supporting an opposing side. The linkage was further strengthened in the summer of 1978 when Sino-Vietnamese hostility surfaced over the question of the maltreatment of ethnic Chinese in Vietnam. China took that opportunity to charge that Vietnam's encroachments on Cambodia were part of a larger Soviet-Vietnamese scheme to annex Kampuchea in order to surround China with hostile neighbors.

Peking draws a parallel between Moscow's use of Cuban forces in Africa and its aid to Vietnam against Cambodia, seeing both actions as examples of proxy wars. China has responded not only with stepped up propaganda support for her embattled Cambodian ally but also with increased military aid, including training for Cambodian pilots, tank crews and artillerymen.

It is noteworthy, however, that China tried to avoid irreversibly committing herself to Cambodia in January, 1978, after the border conflict was advertised in Phnom Penh and Hanoi media. Moscow, on the other hand, immediately took Vietnam's side (having no position to protect in Cambodia). Initially, Chinese

¹⁶Prime Minister Pol Pot's address to Romanian Prime Minister Nicolae Ceausescu, Phnom Penh Domestic Service, May 29, 1978; and Ieng Sary's talks in Tokyo, as reported by Kyodo, June 13, 1978.

¹⁷Intelligence reports cited in Marian K. Leighton, "Perspectives on the Vietnam-Cambodian Border Conflict," *Asian Survey*, vol. 8, no. 5 (March, 1978), p. 451.

¹⁸Ieng Sary's address to the Japan-Cambodia Friendship Society in Tokyo, Phnom Penh Domestic Service, June 18, 1978.

¹⁹Interview with Prime Minister Pol Pot, Phnom Penh Domestic Service, March 20, 1978.

media reported the allegations of each side without comment. Chinese Premier Chou En-lai's widow went to Phnom Penh to try to mediate the dispute, but to no avail. In any event, Peking's credentials as a mediator were probably suspect to Hanoi from the beginning. China had been Cambodia's only political supporter after 1975; and as the January battles occurred, the Chinese airlifted substantial amounts of ammunition into Cambodia. Subsequent arms shipments reportedly included long-range artillery.¹⁷

By February, at the Fifth National People's Congress, Peking abandoned all semblance of neutrality. In his political report to the congress, China's Chairman Hua Kuo-feng condemned Vietnam (without actually naming her) in much the same manner that China had been condemning the Soviet Union.

A clean-cut, mutually agreeable negotiated settlement to the war between Vietnam and Cambodia appears unlikely. As Cambodian Deputy Prime Minister Ieng Sary put it:

As for the so-called "Kampuchea-Vietnam dispute," it can be solved only after its roots are eliminated, for this is not a normal border dispute. It has remained unresolved so far not for want of negotiations. Since 1975, Kampuchea has held many meetings and talks with Vietnam at all levels. However, all these were in vain, for the roots of this problem lie in the fact that Vietnam has the intention of swallowing Kampuchea. . . .¹⁸

Cambodia claims, furthermore, that even Hanoi's agreements cannot be trusted, that Vietnam has reneged on a frontier arrangement reached in 1966-1967 that defined territorial waters in the Gulf of Siam.¹⁹ The maritime boundary question is additionally complicated by recent declarations from Hanoi, Phnom Penh and Bangkok each claiming a 200-mile offshore zone, all of which overlap.

Hanoi has taken the diplomatic initiative in offering to negotiate. On February 5, 1978, Vietnam broached a three-point proposal which called for (a) an end to hostilities and the withdrawal of both sides' forces five kilometers back from their borders; (b) a meeting to conclude a treaty on mutual respect and noninterference in each other's affairs along with a nonaggression pledge, after which the border question would be settled "on the basis of respect for each other's territorial sovereignty within the existing

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In Laos, "Severe internal problems remain . . . as a socialist pattern of development is imposed on a country still divided, unsettled and disrupted by years of civil war."

Dependency in Laos

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SINCE 1975, the Lao People's Revolutionary party (LPRP) has turned from the struggle to attain power to the challenge of overcoming economic dependency and popular discontent. In a notably poor, landlocked, underdeveloped country in need of immediate economic aid, the new Communist leaders have also had to cope with unfriendly relations with Thailand and a "special relationship" with the Socialist Republic of Vietnam (SRV). Because its mentors in Hanoi faced violent conflict with Cambodia and serious tensions with China, the Lao People's Democratic Republic (LPDR) was obliged to support Vietnam. The LPDR also eased its disdain toward the Association of Southeast Asian States (ASEAN) and will probably soften its demands for reconstruction aid from the United States of America. International organizations and non-socialist states were asked for contributions to the economic recovery of Laos. Severe internal problems remain.

The party leadership that guided the new republic was composed of the same stalwart central committee members who had directed the Pathet Lao revolutionary movement since its emergence in the late 1940's. Despite continuing speculation that there were secret factions among the party leaders, the continuity of leadership was remarkable, reflecting either substantial cohesion or limited opportunity to stray from Vietnamese guidance, or perhaps both.

All but one of the 19 full and 4 alternate members of the powerful party central committee of Laos are lowlanders, despite the ethnically plural nature of Lao society and the Communist claims to egalitarianism. The seven-member Politburo of the ruling party is directed by 58-year-old Secretary General Kaysone Phomvihan, who also serves as Prime Minister. Since his arrival from the former party stronghold near Vietnam in 1975, his movements have been shrouded in mystery, and several attempts to assassinate him were uncovered by the government in late 1976 and

early 1977. Prince Souphanouvong has remained an important member of the Politburo, apparently seventh in rank, and has filled the party ceremonial posts of President of Laos and President of the Supreme People's Council (SPC). His half-brother, Prince Souvanna Phouma, former Prime Minister and leader of the neutralist faction in pre-Communist Laos, has been given the honorific title of "Adviser" to the government; unlike Prince Sihanouk of Cambodia, he moves freely about Vientiane and Luang Prabang and has traveled to France. The former King and Crown Prince, however, have been arrested and removed to an unrevealed location.

THE SOCIALIST TRANSFORMATION

In 1976, the party leadership announced its intention to "advance, step by step, to socialism, without going through the stage of capitalist development."¹ A serious problem facing the regime in this "socialist transformation" was the dearth of competent administrative cadres. Thousands of civil servants who had served the Royal Lao government had fled across the Mekong River to Thailand when the Communists seized power; and of those who remained, many were among the estimated 20,000 still in "reeducation centers" in the fall of 1978. The Communist cadres with skills or experience in managing even a semi-modern sector of an economy were few, and the administration of government programs suffered.

The new rulers initially enjoyed the popular support of a largely peasant population, who welcomed the end of conflict and had little to regret in the departure of the corrupt, squabbling, self-serving elite of the former Vientiane governments. But this support was largely dissipated by humorless bureaucratism, heavy-handed controls, onerous mobilization of "voluntary" labor, and arbitrary restrictions on travel. The single most unpopular measure of the new regime was its imposition, in 1976, of a progressive agricultural tax that took up to 30 percent of a farmer's rice production. Agriculture was the only substantial ac-

¹Vientiane, KPL in English, *Foreign Broadcast Information Service (FBIS)*, March 24, 1976.

tivity of the economy and was the logical revenue source for the new government, which was sorely in need of funds to replace the diminished foreign aid. The peasants, however, many of whom had never paid taxes on their production, resented the tax and were recalcitrant about payment.

While most of the population of three million passively acceded to the new authority, a significant number expressed their opposition in flight or armed dissidence. Intermittent guerrilla attacks on government military installations and vehicles and the demolition of bridges and roads have occurred since the birth of the LPDR. The regions of most severe dissidence were the northern mountains, where Hmong (Meo) tribesmen (former members of General Vang Pao's army*) harassed the authorities, and the southern sector, where former members of the military forces of the royal government and some defectors from the Communist forces were operating.²

The new government relied heavily on the estimated 30,000 Vietnamese troops still stationed in Laos to deal with the insurgents. There were intermittent clashes, after which hundreds of dissidents and their families attempted to escape to Thailand.³ The guerrilla activity harassed government authorities, diverted their attention from the tasks of development, reinforced the leadership's sense of insecurity, and poisoned Lao relations with Thailand. However, in view of Vietnam's interest in the viability of her Lao junior partner, there was little prospect that the dissidents would pose a substantial threat to the stability of the Lao Communist regime.

Refugee flight, the other manifestation of discontent, continued after the initial exodus of tens of thousands during the period of Communist takeover in 1975. During 1976, approximately 1,000 Laotians a month found their way across the border to Thailand; the number increased to between 1,500 and 1,800 or more by the end of 1977, and averaged 3,000 a month during 1978. The refugees came from all sectors of society: urban middle class and peasants; lowland Lao and ethnic minorities; educated and illiterate. In 1977, interviews revealed that economic reasons generally combined with political motives had led to flight. Almost all refugees talked about the economic privations of life in the new Laos; most were critical of regimentation and controls; and some were afraid they would be sent to reeducation camps.

The economic situation inherited by the new leaders of Laos in December, 1975, was precarious and

was bound to get worse before getting better. The inherent difficulties of one of the world's poorest states were compounded by the mismanagement of the people's republican regime.

ECONOMIC CONDITIONS

The economic backwardness of Laos (whose per capita income is estimated at \$90) stems from her landlocked, largely mountainous territory, her lack of education (adult literacy in 1960 was only 20 percent), her easy-going culture, inadequate transportation systems (poor roads, no railroads) and lack of capital investment. Under French rule, Laos was a stagnant colonial backwater of Vietnam, with a few tin mines and some timber. As France disengaged from Indochina after the Geneva Conference of 1954, the Royal Lao economy, under American tutelage, received an infusion of military equipment and consumer items to offset monetary expansion. This gravely distorted the traditional rice-producing economy. The military and political elite and the merchants of the Mekong River towns acquired a new life-style, based on gasoline and electricity, while about one-fourth (700,000) of the peasant population was moved into resettlement areas to avoid American bombing and Pathet Lao (PL) offensives.

Agricultural productivity did not keep pace with population growth, and except for sawmills and rice processing, the industrial sector was devoted to the production of items like cigarettes, beverages, and a few plastic household goods. Military and government services were the most significant sectors of the economy in royal government areas throughout the war; while in the mountainous Pathet Lao (PL)-"liberated" provinces, agricultural cultivation and primitive war-related industries survived with Soviet and Chinese material assistance. In the most contested area, the Plain of Jars, five years after the cease-fire there were villages without a bridge or brick building intact, seeded with unexploded bombs, and gravely deficient in water buffaloes.⁴

The LPRP seizure of power after April, 1975, brought the termination of United States economic aid (which had budgeted more than \$30 million for projects in fiscal 1973) and of the Foreign Exchange Operations Fund (FEOF), which had provided \$28.1 million in hard currency in 1974-1975. These losses were not nearly offset by the influx of Russian aviation and other technicians (estimated at 500) and renewed pledges of support from almost every socialist state. In addition, the closing of the border by Thailand from November, 1975, until January, 1976, the decline of raw material imports, and a shortage of spare parts and fuel seriously setback productivity and commerce. In mid-1977, again, under strongly anti-Communist leadership, Thailand imposed a de facto blockade on the trans-shipment of goods into Laos; the blockade

*Supported by the United States Central Intelligence Agency.

²See *The New York Times*, March 27, 1978.

³For example, on June 22, 1978, Thai officials reported that several hundred Meo rebels were killed by Vietnamese and Lao forces, and 400 fled to Thailand within a two-day period. *The New York Times*, June 23, 1978.

⁴*Far Eastern Economic Review (FEER)*, December 23, 1977.

lasted from mid-1977 until a military coup brought the more subtle General Kriangsak to power in Thailand in October.

Natural adversity also overtook the LPDR in its fledgling years; a severe drought seriously reduced the rice crop in 1976 and 1977, and floods afflicted it in 1978. During the war, between 60,000 and 80,000 tons of rice had been imported annually, even though the southern provinces produced a surplus—much of which made its way illegally to Thailand. In late 1977, however, the United Nations Development Program (UNDP) had estimated an astounding 367,500-ton shortage until the 1978 harvest, but the actual deficit turned out to be close to 113,000 tons. With European governments and private agencies responding to the urgent appeals of the World Food Program, and the United States reentering the aid picture for the first time in June, 1978, with a 10,000-ton donation (after a "very polite" appeal by the LPDR to the United States embassy), the gap was apparently bridged until the August, 1978, floods. Food deficits in a potentially self-sufficient country, however, not only signify a regime's incompetence in achieving its most basic goal but also if uncorrected, will continue to stimulate the disheartening flight of population into Thailand.

Government expenditures rose as the new regime took over projects previously handled by foreign aid and tried to resettle some 500,000 displaced persons. At the same time, with the departure of USAID, government revenues shrank, making taxation all the more necessary. The government's attempt to guarantee the supply of rice in urban areas through a state-run marketing system led farmers to withhold their surpluses in search of higher prices on the free market or in illicit trade with Thailand. A general shortage of consumer goods, previously available from foreign aid, further fueled inflation on the private market in spite of fixed prices in government shops. The substitution of a new currency (*Kip de libération*) in 1976 produced only temporary deflation, because lack of state budget discipline and the losses of state enterprises re-expanded the money supply. Compound-

⁵Finance Minister Phoumi Vongvichit stated in December, 1976, "at present we cannot adopt four-year or five-year plans as in other countries. In the next few years we will map out our plans year by year. We will map out long-term plans after the necessary foundations are laid and after the people have reached unanimity in their way of thinking." Vientiane Domestic Service in Lao, December 21, 1976, *FBIS*, January 3, 1977.

⁶*FBIS*, April 11, 1977, Supplement on Laos, p. 24, and *FBIS*, May 11, 1977.

⁷N. Chanda, "Vientiane and Its Economic Hurdles," *FEER*, October 21, 1977.

⁸Kaysone Phomvihan Report, Vientiane Domestic Service in Lao, March 6, 1978, *FBIS*, March 17, 1978.

⁹Vietnam moved from observer to tenth member on June 29, 1978, but Laos had not yet changed from observer as of August, 1978.

ing these problems of economic management is the regional disequilibrium perpetuated by inadequate roads and fuel shortages. Thus, southern Mekong River towns may have a surfeit of poultry and beef, while Vientiane markets may be empty.

A state budget has not yet been publicly presented, and multi-year planning remains a technique of the future.⁵ Yet international agencies have been willing to help Laos. The International Monetary Fund has assisted with funds and advice for a monetary stabilization program (which was beginning to work in 1978), and the International Development Agency (IDA) worked out an \$8.2 million loan by early 1978 to aid irrigation, pig production and research on rice cultivation. Additional projects are under study by Japanese consultants financed by the UNDP. Laos may also mobilize other resources by contracting with foreign concerns to exploit timber.

Party leaders have asserted that the forging of socialism in Laos must be tempered by gradualism in seeking "collective mastery" in agriculture and by pragmatism in achieving national control of investment and development. In April, 1977, party spokesmen made it clear that during the "next few years" collectivization would be confined to the "level of understanding" of the peasants and to the stage of agriculture technology. Labor exchange teams for joint planting and harvesting will be the first step in the "careful, not hasty" progression toward collectivism.⁶ To realize her considerable potential in timber and mineral exploitation, Laos will require substantial foreign investment or assistance in the 1980's. The LPDR policy on foreign investment has not been so encouraging as Hanoi's, but some socialist states and possibly some Japanese companies may be able to undertake joint ventures for the initial period.⁷

Foreign aid from socialist states (77 percent of the total)⁸ has been a major prop for the LPDR, especially during the blockades by Thailand. Vietnam's ability to help has been restricted by drought, typhoons and her own reconstruction needs. China's willingness to contribute may drop to zero if Laos follows Vietnam in joining the Soviet-led Council for Mutual Economic Assistance (COMECON).⁹ Laos will rely upon scale economic assistance from the Soviet Union and possibly COMECON states, and a few West European states like West Germany, Sweden and the Netherlands, which pledged \$15 million to Laos for 1977. Soviet grants and loans are thought to be running at \$30 million to \$40 million per year, with the Chinese providing less than half that amount. International development banks, Japan and the Organization of Petroleum Exporting Nations (OPEC) may also be significant.

The economic potential of Laos is not quite so bleak as her steady hemorrhage of refugees seems to indicate. With proper management, technological as-

sistance and capital investment, timber exports could be expanded over tenfold. Minerals are only at the threshold of potential exploitation. The second stage of the Nam Ngum dam of the Mekong River Development project, which is nearing completion with Japanese assistance, will multiply present earnings from the sale of electricity. Yet self-sufficiency in food production is not expected for another five years, even with proper investments and administration. Attracting economic aid and training enough skilled administrators to apply it productively will be complicated by political uncertainties in the Indochina region.

THE "SPECIAL RELATIONSHIP"

In July, 1977, the Lao-Vietnamese "special relationship" was formalized in a 25-year friendship treaty, along with a series of sweeping military and economic agreements. The signature of these agreements was celebrated by the turnout of 100,000 Laotians to welcome the arrival in Laos of the highest ranking delegation ever to leave the Socialist Republic of Vietnam, including party Secretary Le Duan and Prime Minister Pham Van Dong.

The texts of the agreements have not been made public, but joint statements revealed that a common border was agreed on, Vietnamese financial assistance and loans were arranged, and common approaches to domestic and foreign policy issues were established. Vietnam agreed to permit the use of her port, Da Nang, as a duty-free unloading area for goods bound for Laos, an arrangement rendered even more important by the strained relations between Laos and Thailand and the growing Lao economic ties with Vietnam. The agreement appeared to formalize Lao road construction by Vietnamese civilian and military teams, who are refurbishing the French colonial highway system linking Laos to Vietnam.

The Vietnamese and Lao have alluded to this treaty and to their "special relationship" as a model for fraternal relations in Indochina. Cambodian Communist leaders, who disdain what they regard as Lao subservience to the Vietnamese and who seem to regard the treaty as a further step toward the fulfillment of Vietnam's ambition to dominate Indochina, were not inspired to accept the model.

¹⁰Statement by Hoang Tung, member of Vietnam Communist party central committee and political director of the party newspaper, *Nhan Dan*, made to journalist Nayan Chanda, *Far Eastern Economic Review*, April 21, 1978, pp. 18-19.

¹¹Prime Minister Kaysone Phomvihan's Report to Lao SPC-Council of Ministers meeting, March 6, 1978, in *FBIS*, March 17, 1978, supplement.

¹²Hoang Tung, the political director of *Nhan Dan*, told journalist Nayan Chanda that, after the Vietnamese victory, the Chinese pointed out they had their own difficulties and noted, "You are stronger now, you have to look after yourself." *FEER*, April 21, 1978, p. 19.

¹³*The New York Times*, August 9, 1978.

The tensions that had been festering between Vietnamese and Cambodian revolutionary leaders since their victories in the spring of 1975 broke out into an open frontier war in December, 1977. Laos had attempted to maintain friendly relations with Cambodia, and had received small amounts of Cambodian rice, salt and dried fish in 1977. In December, 1977, President Souphanouvong led a delegation on a state visit to the new government of Kampuchea and toasts of fraternal solidarity were exchanged. During that visit, the Lao delegation probably served as emissaries of the Vietnamese, urging the Cambodians to accept the Vietnamese proposal to negotiate their differences. After concerted Cambodian attacks on Vietnamese territory near Chau Doc in April, 1977, and in the Xa Mat area in September, the Vietnamese, according to a Vietnamese spokesman, prepared a "counterattack" against Cambodia, with the aim of making the Cambodian leaders "realize that we are not passive as they have assumed and to tell them that they have to choose the other solution—negotiations."¹⁰ The Vietnamese thrust into Cambodia was launched less than two weeks after the Lao visit to Phnom Penh, and the Cambodians severed diplomatic relations with Vietnam on December 31, 1977.

Even after the outbreak of open hostilities between Vietnam and Cambodia, the Lao were publicly cordial toward the Cambodians. In his annual report to the Supreme People's Council and the Council of Ministers, Kaysone spoke of the "militant solidarity" between Laos and Cambodia and pointed out that the border problems between the Lao and Vietnamese fraternal allies go back into history and were, of course, exacerbated by the French colonialists.¹¹

By mid-1978, there was another dispute, between Vietnam and China, more significant for the balance of power in the region. The Vietnamese nourished a number of grievances; there was also a long history of Vietnamese suspicion of the Chinese, who had for ten centuries exercised hegemony over Vietnam. The Vietnamese and Chinese made rival claims to offshore islands, and there were onshore frontier tensions. The Vietnamese resented the cut in Chinese aid after their victory,¹² and were angry at the substantial Chinese support for their Cambodian enemies. On their side, the Chinese bridled at Vietnam's economic dependence on the Soviet Union and the close relationship between the Vietnamese and the Soviets. There was clearly rivalry for influence in the Southeast Asian region. The Chinese took the occasion of Vietnamese expropriation of the property of thousands of Chinese to express displeasure with the policies of the Vietnamese leadership and to admit more than 160,000 ethnic Chinese into China.¹³

On July 22, 1978, on the first anniversary of the Vietnam-Laos Friendship Treaty, Party Secretary Kaysone issued a declaration clearly committing Laos

to the side of Vietnam¹⁴ in her disputes with China and Cambodia.

We once again reaffirm that we always stand by the struggle to defend their [the Vietnamese people's] independence, sovereignty and territorial integrity against threats, pressures, trouble-making, provocation, violation, slander and sabotage, committed by the imperialists and the international reactionaries.

We support Vietnam's stand on the settlement of differences between countries by negotiation on the basis of sincerity and mutual respect.

An editorial in *Siang Pasason*, the official newspaper, added Laos's condemnation of "big power chauvinism and narrow nationalism," Vietnamese code words for denouncing China and Cambodia.

These pronouncements revealed Hanoi's essential domination over Lao foreign policy. The national interest of weak little Laos, if she could act independently, would be to remain neutral in a conflict between her two powerful neighbors, Vietnam and China, and to steer a middle course in the Sino-Soviet dispute. Laos's forthright assumption of the Vietnamese and by extension the Soviet side in this conflict seems to have resulted from Vietnamese pressure, presumably with Soviet endorsement.

The significance of the Lao public alignment must be understood in the light of the gravity of the Sino-Vietnamese dispute. After Vietnam formally joined the Soviet-dominated COMECON** in late June, 1978, China announced the termination of the final elements of her economic assistance to Vietnam. In May, 1978, China had already closed down 72 aid projects, including virtually all the industrial plants she had been building for Vietnam. It should be recalled that the Chinese were angry at the complete withdrawal of Soviet technicians from China in mid-1960, which many experts contend set back China's industrial development by several years and marked the public beginning of the Sino-Soviet dispute.¹⁵ For China to have imposed similar treatment on a former "fraternal revolutionary ally" suggests the depth of the cleavage between China and Vietnam. For Laos to side with Vietnam, inevitably the weaker power in the region, reveals Laotian subservience to Vietnam.

The consequences of Laos's open alignment were not immediately clear. There were reports that China had withdrawn most of the 15,000 Chinese soldiers and workers who, since 1961, had been building roads from the Chinese border southward into the interior of Laos; but there was no indication whether this withdrawal had been carried out as a sanction against

**The Soviet bloc's Council for Mutual Economic Assistance.

¹⁴The *New York Times*, July 23, 1978.

¹⁵See the *Economist* (London), July 8, 1978.

¹⁶Testimony by Robert Oakley, United States Deputy Assistant Secretary for East Asia and Pacific Affairs before the Sub-Committee on Asia and Pacific Affairs of the House International Relations Committee, May 11, 1978.

Laos for her alignment with Vietnam and her acceptance of sizable Soviet assistance, or whether it had the agreement of the LPDR.

RELATIONS WITH THAILAND

Lao relations with Thailand during the first three years of the Communist republic were intermittently "strained" and "correct." Relations between Laos and Thailand are particularly important in view of their similar languages, Buddhist religion and wet rice-growing culture, as well as their more than 1,000 miles of common border along the Mekong River and the fact that there are more ethnic Lao (known as Lao-Thai) in northeast Thailand than there are in Laos. The relatively conservative regimes of the Thai monarchy regarded the new revolutionary regime in Laos with suspicion, and were especially disturbed by the deposition and arrest of the Lao King. The Thai were concerned that under Communist rule Laos would serve as an even more active Vietnamese-directed training ground for Communist guerrillas and as a staging area for subversive operations against northeast and northern Thailand.

The changes in Lao-Thai relations between 1975 and 1978 derived from the succession of governments in Thailand and emerging conflicts among Vietnam, China and Cambodia that seriously affected the regional balance of power. An economic blockade of Laos was imposed by Thailand in November, 1975, after a sharp military clash on the border. In 1976, strained relations were improving until a military coup d'état in October replaced Thailand's moderate civilian government with a rigid, anti-Communist government led by Thanin Kravichen. Once again, there was an increase in tension between the two governments, with Laos labeling the new government a "warlord clique" and pledging "whole-hearted support" for the "fraternal Thai people in their struggle for freedom and true national independence." Another coup, in October, 1977, ousted Thanin and installed the more accommodating, politically relaxed General Kriangsak Chamanand, who embarked on a program of improving relations with the Indochina states. This move coincided with Vietnam's interest in improving relations with ASEAN as her conflict with Cambodia and China emerged. Thus relations between Vietnam and Laos, on the one hand, and Laos and Thailand, on the other, improved modestly in 1978.

A major problem was the refugee flow from Laos to Thailand. Since 1975, more than 125,000 refugees had fled to Thailand.¹⁶ In May, 1978, of the 102,000 Indochinese refugees languishing in the dusty camps of Thailand, 85,000 were from Laos. The Thai authorities were disturbed by the influx of refugees and were eager to reduce the flow. Upon entry into the country, all refugees were obliged either to pay a fine or to be

detained several weeks in local jails before admission to a refugee camp. In early 1978, the Thai authorities returned some refugees to Lao police and military authorities, in an effort to discourage the flow.¹⁷ There were expressions of concern about this practice from the United States and from international and voluntary agencies dealing with the refugees.

In May, 1978, on a state visit to Thailand, United States Vice President Walter Mondale informed the Thai government that the United States was willing to lead a group of developed nations in financing the resettlement of the more than 100,000 refugees still in camps in Thailand. The United States offered \$2 million and promised to enlist the help of Japan and other industrialized nations in raising "tens of millions of dollars to complete the resettlement." Moreover, in mid-July, 1978, the United States announced that it would admit 25,000 more Indochinese refugees before May, 1979, raising to 197,000 the total number authorized to enter the United States since the Communist seizure of power in 1975. (By the spring of 1978, France had admitted 43,000, Australia nearly 8,000 and Canada over 7,000.)¹⁸

Pending departure or resettlement, the refugees continued to be a serious source of friction between Laos and Thailand. The Lao authorities charged that refugee elements were recruited, trained and directed by Thai authorities in guerrilla attacks on Laos. There is no doubt that dissident activity in Laos was encouraged by refugees in Thailand, but the extent of official Thai involvement was not clear. It seemed likely that some Thai local military commanders, interested in tactical intelligence about troop deployment and related questions, were providing small arms, ammunition and limited supplies to refugee guerrilla fighters. However, the central government appeared interested in demonstrating its non-involvement in subversive activities.

RELATIONS WITH ASEAN

In her relations with ASEAN, Laos, as expected, has followed the lead of Vietnam. In the period immediately after the Communist takeover in Vietnam, Vietnam and Laos announced their interest in improving bilateral relations with ASEAN members but stated their distaste for the organization, which they regarded as American-sponsored and anti-Com-

¹⁷On February 16, 1978, the governor of Ubon Province told a *New York Times* reporter that at least 300 refugees had been sent back to Laos since 1977. Reports indicated that the returned refugees were harshly treated by the Lao authorities. See Henry Kamm, "Thais Returning Refugees to Laos, Sometimes to Official Mistreatment," *The New York Times*, February 18, 1978.

¹⁸Testimony by Robert Oakley, *op. cit.*

¹⁹See *FEER*, June 30, July 14, and August 4, 1978.

²⁰*FEER*, July 14, 1978, p. 32.

²¹*Ibid.*

unist. They rebuffed initiatives to get their endorsement of the ASEAN resolution for a "zone of peace, freedom and neutrality." Indeed, President Souphanouvong made Lao and Vietnamese opposition clear when he denounced this resolution, which had been introduced by the Malaysian delegate to the summit conference of nonaligned nations meeting in Colombo, Sri Lanka, in August, 1976. His denunciation makes the change in attitude demonstrated by Vietnam (presumably to be followed by Laos) toward the "zone of peace" all the more dramatic. During his visit to Malaysia in the summer of 1978, Vietnam's Vice Foreign Minister Phen Hien stated that Vietnam was prepared to discuss her endorsement of the Malaysian-proposed ASEAN "zone of peace," a statement timed to coincide with the ASEAN foreign ministers meeting in Pattaya, Thailand. A parallel bulletin supporting the ASEAN "zone of peace" policy came from the Soviet embassy in Bangkok, reversing the previously critical Soviet posture toward ASEAN.¹⁹ It was evident that the growing rift between Vietnam and China was leading Hanoi and Vientiane to search for a more active and harmonious involvement in Southeast Asian regional affairs and that the Soviets were supporting this quest.

RELATIONS WITH FRANCE

Of all the major Western powers, France—despite or perhaps because of her former colonial role—had the closest relations with the Lao and the Vietnamese. In Laos, France developed a program of economic and technical assistance that included agricultural development, improvements in aviation and telecommunications, and some industrial and mining projects. France also provided substantial cultural assistance.

In July, 1978, a disagreement over Lao debt repayment schedules to France (the debt was \$980,000 in 1978) reached a critical stage, and 98 French nationals, including the ambassador, were withdrawn.²⁰ Before the French departure, there was a period of mutual recrimination.²¹ After this rift, the status of French assistance when the current French appropriations were exhausted remained in doubt.

Lao relations with the United States since the establishment of the LPDR have been described by United States officials as "cool but correct." Early in

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MacAlister Brown and **Joseph J. Zasloff** made a lecture and research tour in Japan and Southeast Asia in 1977. They are coauthors of the recently published book, *Communist Indochina and U.S. Foreign Policy: Post-war Realities* (Boulder, Colorado: Westview Press, 1978), and coeditors of *Communism in Indochina: New Perspectives* (Lexington, Mass.: Lexington Books, 1975).

"The major challenges to democratic development in the Thai political system arise within the political leadership and in contending interest groups. At the present time, no serious threat to political stability exists outside this evolving power structure."

Thailand: Transitional Military Rule?

BY FRANK R. DARLING
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SINCE October, 1977, the government of Thailand has been led by General Kriangsak Chomnan, who emerged as the dominant military leader of the Revolutionary party that ousted a highly unpopular civilian regime.¹ The former army chief assumed power by using a transitional pattern that has been common at the top level of the Thai political system for many years. In spite of the continuation of martial law, the Cabinet appointed by General Kriangsak included only a few military commanders in major ministerial posts. General Boonchai Bamrungphong remained in the post of Deputy Prime Minister, Lieutenant General Bunruen Buacharun was appointed as the Minister to the Prime Minister's Office, General Lex Naeomali was appointed as the Minister of Defense, and General Surakit Maiyalap was appointed as the Minister of Communications.

All other Cabinet posts were given to experienced civilian administrators and technical experts. The key position of foreign affairs was retained by Upadit Pachariyangkun, the only civilian holdover from the previous government.² An interim constitution of 32 articles was issued by the new Cabinet, and a Legislative Assembly was appointed to serve the dual roles of drafting a permanent constitution and approving legislation.

The government headed by a military leader has been generally popular among the Thai people, and the Kriangsak government has maintained a judicious balance between benevolence and firmness. The Cabi-

net has sought to promote rapid economic development, which has continued to bring increasing benefits to Bangkok and other urban areas; at the same time it has followed the example of the elected government led by Kukrit Pramoj in 1975-1976 and has accelerated economic and social programs in the rural areas inhabited by approximately 85 percent of the population. The new military-based regime has imposed relatively few restrictions on the freedoms normally enjoyed by the Thai people. Stern action has been taken by the government only in opposing the rural insurgencies and major violations of the laws of the kingdom, including serious offenses against the national economy.

The broad emergency authority vested in the Prime Minister under Article 27 of the interim constitution has been used mainly to punish persons convicted of log-poaching, tin-smuggling, and drug trafficking. On one occasion in 1978, the Prime Minister used this authority to order the execution of a man convicted of rape, murder, armed robbery and heroin-trafficking.

While there has been a marked improvement in political stability, General Kriangsak has not committed himself to any future government role, and he insists that he is leading a transitional government toward a revival of democratic rule. He has refused to say whether or not he will run for an elected office in the government to be established by the permanent constitution, and he has not explained the future role of the military in Thai politics. At the same time he promised general elections in 1978.

The National Legislative Assembly (NLA) consists of 360 members appointed by the Kriangsak government and formally established by a royal proclamation on November 16, 1977. About 60 percent of the membership of the NLA comes from the three armed forces; yet this body has also included people of diverse backgrounds, like former elected members of Parliament, government officials, police officers, businessmen, professors, journalists, lawyers, labor leaders, writers and women.³ Although all its members are

¹For a detailed analysis of the events leading up to the formation of another military government in October, 1977, see Frank C. Darling, "Thailand in 1977: The Search for Stability and Progress," *Asian Survey*, February, 1978, pp. 153-63.

²For a brief, scholarly analysis of the roles of civilians and military leaders in Thai politics, see Kamol Somvichian, "'The Oyster and the Shell': Thai Bureaucrats in Politics," *Asian Survey*, August, 1978, pp. 829-37.

³"News From Home," Office of the Public Relations Attaché, The Royal Thai Embassy, Washington, D.C., November 15-30, 1977.

appointed, this assembly has not succumbed to the role of a rubber-stamp body. It has engaged in vigorous debate on many bills, and on some occasions it has defeated legislation proposed by the Cabinet.

THE NEW PERMANENT CONSTITUTION

Shortly after its investiture, the National Legislative Assembly followed another common transitional practice, appointing a constitution-drafting committee to prepare a draft of a new permanent constitution to be approved by the entire legislative body. These draft deliberations took about six months. They were marked by open debates on an attempt to limit the number of political parties and eliminate splinter parties, a proposal to provide various incentives for voting in national elections, and numerous proposals regarding the size and authority of the Senate. One of the most significant controversies in the constitution-drafting process ended with the decision to eliminate the requirement that the Prime Minister be a member of the National Assembly. The effort to eliminate this requirement grew out of the probability that the military would play a major role in future governments and the likelihood that the dominant military leader would not want to run for an elected seat in the National Assembly. The debate on this feature of the new constitution indicated a growing recognition that the transitional military regime may become a more permanently established government.

The final draft of the permanent constitution was completed in June, 1978, and at this writing (September, 1978) the NLA is considering its provisions for final approval. The new constitution, containing 191 articles, is similar in most respects to other constitutions issued by military regimes in recent Thai history. The traditional powers of the King have been reaffirmed, including an extensive advisory role for a Privy Council consisting of 15 appointed members. Chapter Three, entitled "Rights and Freedoms of the Thai People," embodies numerous detailed provisions regarding equality before the law, property rights, and the freedom of religion, speech, press, education, assembly, association, travel and communication. As in previous constitutions in Thailand, these civil rights can be qualified by law. A short chapter on the duties of the Thai people includes the duty to uphold the nation, religion, the King, and the democratic form of government, and the obligation to defend the country, comply with the law, pay taxes and receive education under conditions established by law.

An innovation in Thai constitutional practice is a chapter entitled "Directive Principles of State Policies," containing broad economic and social government goals, similar to constitutional provisions in India, Pakistan, Indonesia and other non-Western societies. These provisions are not enforceable in court, and they consist primarily of general guidelines

for the state in providing adequate public education, preserving the national culture, raising economic and social standards, promoting agriculture, supporting economic initiative in the private sector, and promoting public health.

The bicameral National Assembly consists of a Senate composed of "qualified persons" appointed by the King who are at least 35 years of age and do not belong to any political party. The size of the Senate is not to exceed three-fourths of the total number of members in the lower house. The dominant legislative body is again called the House of Representatives, and it consists of approximately 300 members elected directly by the people. The elected legislative body is vested with the primary authority to shape and approve legislation and the national budget. In its final form, the provision for the Cabinet stipulates that not less than half the ministers of the government must be elected members of the House of Representatives, a provision which makes it possible to fill the position of Prime Minister and a sizable number of Cabinet posts with military officers or civilian administrators who do not participate in national elections.

PROBLEMS OF DEMOCRACY

A key factor in the formation of democratic rule as seen by the Kriangsak government is the requirement that political parties must have sufficient organizational unity and popular support to provide political stability. This means that civilian politicians need adequate administrative experience, personal stature, and political skill to supply the leadership the kingdom requires. Similarly, civilian political leaders must be able to work satisfactorily with the leadership of the armed forces, who have acquired powerful vested interests and will demand a significant role in any future government.

The outlook for the emergence of this kind of civilian political leadership is not encouraging. One of the high prices paid by the Thai people for long periods of authoritarian military rule has been the absence of a sizable group of civilian political leaders with adequate experience in the administration of national affairs and sufficient skill in maintaining popular support and preserving political stability. Most of the small group of civilian politicians who gained some experience in the democratic regimes just after World War II and in the democratic "experiment" from 1973 to 1976 are aging or retired. Seni Pramoj, who served as the Prime Minister of the last elected government in 1976, is now 73 years old and is almost certain to play only a minor role in future party politics. Kukrit Pramoj, Seni's younger brother, is still recognized as one of the most experienced and popular of the civilian leaders; yet he is 68 years old and recently suffered a partially crippling stroke. Kukrit has shown relatively little interest in the pos-

sible revival of constitutional rule, and he has not taken an active part in attempting to restore his former political party.

Many younger civilian politicians are eager to run again for public office, especially the largely American-educated group who organized the New Force party in 1975 and 1976, but they lack administrative experience and do not have any widespread popular support. These highly educated political aspirants have likewise shown a marked inability to work together in the pursuit of realistic economic and social goals in some kind of suitable relationship with the powerful military leadership.

A more likely political development is the formation of a government-sponsored political party that could move the political system closer to some form of democracy and, at the same time, could preserve sufficient political stability. This move would involve the formation of a political organization able to elect sufficient representatives to support a more permanent regime headed by General Kriangsak. (Similar transformations took place in South Korea and in Indonesia.) This transformation has been attempted in Thailand. In the mid-1950's, Field Marshal Phibun Songkhram formed a government party, the Seri Manangasila party, to broaden the base of his military regime. In the early 1970's, Field Marshal Thanom Kittikachorn and General Praphat Charusathien likewise formed the United Thai People's party to elect pro-government candidates to a newly established national legislature.⁴ General Kriangsak may follow a similar path and may become involved in the formation of some kind of political organization based on one or more of the political parties that emerged in the democratic period from 1973 to 1976. In any case, there is a strong possibility that a fairly stable and representative form of government will be developed by converting Kriangsak's military-based regime to some kind of elected government.

The major challenges to democratic development in the Thai political system arise within the political leadership and in contending interest groups. At the present time, no serious threat to political stability exists outside this evolving power structure. Since the crushing of the student uprising at Thammasat University in October, 1976, university students are no longer a disruptive force. The only overt groups which have occasionally made strong demands on the government and could create social unrest are the labor

⁴See Clark D. Neher, "Thailand: Toward Fundamental Change," *Asian Survey*, February, 1971, pp. 31-32.

⁵For a scholarly analysis of the role of labor unions in Thailand see Bevans D. Mabry, "The Thai Labor Movement," *Asian Survey*, October, 1977, pp. 931-51.

⁶Bangkok Post, March 14, 1978. One baht is approximately 5 cents (U.S.).

⁷Christian Science Monitor, September 18, 1978.

unions.⁵ With the expansion of the industrial sector, these organizations have grown rapidly in Bangkok and a few other urban areas, and in spite of the prohibition of strikes under martial law, the increasing rate of inflation has caused frequent disputes between management and labor. The government has established the Labor Council to provide an official channel for labor leaders to present grievances and requests from organized workers. Early in 1978, a major controversy emerged when labor leaders demanded an increase in the minimum wage from 28 to 50 baht a day.⁶ Labor representatives on the Labor Council also asked the government to abolish the official ban on labor strikes. These demands have been vigorously opposed by industrialists as harmful to the investment climate in Thailand. The continuation of brief labor walk-outs and demands for higher wages indicate considerable worker dissatisfaction with rising living costs and depressed wage scales.

The rural insurgencies continue to be more of a perpetual nuisance and a steady drain on human and physical resources than a major threat to Thai security and political development. Many government installations and military outposts in sparsely populated border provinces have been attacked by Communist guerrillas and other insurgent groups. Some of these attacks have been fairly heavy and have inflicted sizable losses on government forces. Many insurgent attacks have been staged to disrupt the government's effort to promote rural development programs and expand the national road system. In April, 1978, a force of Thai and Cambodian Communists attacked a self-help settlement in the northeastern provinces and killed 17 people. Numerous clashes with Thai security forces along the southern border were also initiated by Thai-Muslim separatists, Chinese Communists, and Thai Communists. Some infiltration of Communist agents and party leaders has continued in the northern provinces.

The Thai government has sought primarily to contain the spread of Communist insurgencies rather than to engage in the extremely difficult and costly task of trying to wipe out their isolated bases. Some progress in reducing Communist influence has been made in the northern provinces by a combination of military action and economic assistance. Some university students who fled to Communist-controlled areas after the abortive student uprising at Thammasat University have defected to the government, disillusioned with the Communist ideology and arduous living conditions. Student defections from Communist insurgent forces will very likely increase because of the amnesty granted by the Thai government to 18 students arrested at the Thammasat uprising and the amnesty granted to all students who fled to the jungles following the October, 1976, military coup.⁷

The Thai economy is recovering from the major

setbacks caused by severe drought conditions in many provinces in 1977. A government official on the National Economic and Social Development Board has stated that the economy is expected to expand about 7 percent in 1978, and that private investment will increase approximately 16 to 17 percent.⁸ There has been a significant increase in the export of agricultural products (especially rice, tapioca, sugar and rubber), and for the first time a growing role is played by the export of manufactured goods. Thai industry, for example, is exporting sizable quantities of bicycles to West Europe. Yet in spite of these encouraging developments, Thailand is experiencing the largest trade deficits in her history, because of large imports of petroleum products and manufactured goods. This trend is expected to continue until 1980, and it is a major factor in an inflation rate of between 7 percent and 8 percent a year. To obtain sufficient funds for the Fourth National Economic Development Plan, the government has decided to sell bonds in international money markets for the first time since 1914.

Other steps to alleviate adverse economic conditions included the unpegging of the Thai baht from the United States dollar, and the imposition of a ban and increased duties on imported luxury goods. Tourism has attained an unprecedented role in the national economy; the number of tourists is expected to reach 1 million in 1978, an increase of 15 percent over the previous year. At the present time, tourism is the fifth largest source of foreign exchange and it produced over 4,607 million baht in 1977. By 1981, it is estimated, 2.2 million tourists will visit Thailand each year and generate an income of 11,700 million baht, making tourism the largest earner of foreign exchange in the national economy.

FOREIGN POLICY

Thai foreign policy has sought to advance the national interest by pursuing a well-coordinated, three-phased approach toward the adjoining Communist societies in Indochina, the major powers, and the other non-Communist nations in Southeast Asia.

With a combination of perseverance and timeliness, the Thai government has been successful in developing better relations with Vietnam and Laos. This achievement has been aided by the deterioration in Vietnamese relations with both Communist China and Cambodia. After many years of hostility toward Thailand, the new pattern of power relationships in Indochina has led the political leadership in Hanoi to change its mind and move rapidly to establish closer

cooperation with the Kriangsak government. Early in 1978, Thailand and Vietnam signed a trade agreement, and high-level diplomatic talks took place in both capitals. A Thai ambassador took up official residence in Hanoi for the first time in history, and Vietnam's Premier Pham Van Dong visited Bangkok to launch a "new era" in cordial relations between the two countries.⁹ A similar trend took place in Thai policy toward Laos. In spite of intermittent border conflicts and the continual flow of Laotian refugees to Thai territory, both governments maintained high-level diplomatic contacts, and in May, 1978, they negotiated a trade agreement.

The efforts of the Thai government to establish better relations with Cambodia have been far more challenging, and the Thai leadership has exercised restraint and forbearance in pursuing this goal. In spite of Thailand's significantly larger military forces and far greater national resources, the Thai government has adhered rigorously to a diplomatic rather than a military approach to this conflict.¹⁰ At frequent intervals since 1977, Cambodian troops have raided defenseless Thai villages in the border provinces and have abducted and killed many people. The Khmer Rouge have also launched rocket attacks on border towns and have ambushed vehicles. Some modest military countermeasures have been taken by the Thai government, but the primary effort has been to attain peace by diplomacy. Early in 1978, the Thai Foreign Minister visited Phnom Penh and tried to establish better official relations. At this time, both governments agreed to restore trade, exchange ambassadors, and "forget past misunderstandings."¹¹ Military attacks against Thai border villages have continued, yet the Kriangsak government has persisted in seeking peaceful relations through diplomatic negotiations.

Another major objective of Thai foreign policy—closer relations with the United States—was advanced during 1978. The disillusionment and dismay among

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⁸Bangkok, March 9, 1978.

⁹The Wall Street Journal, September 8, 1978.

¹⁰See Peter A. Poole, "Thai-Cambodian Relations: The Problem of the Border," *Asian Affairs*, May/June, 1978, pp. 286-93.

¹¹Bangkok Post, February 3, 1978.

"It is unlikely . . . that the current Sino-Soviet, Vietnamese-Cambodian or Sino-Vietnamese conflicts will have much effect on internal Indonesian politics or on Indonesia's international relations," writes this specialist, who warns that "Indonesian politics . . . is still likely to undergo significant change by the early 1980's."

Indonesia: How Stable the Soldier-State?

BY RICHARD BUTWELL
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INDONESIAN President Suharto was elected to a third five-year term in March, 1978, but he may well not be the sprawling island-state's political leader half-a-decade hence.

Suharto, who displaced first and longtime President Sukarno in 1966, brought to an end a turbulent era. Before he took office, political freedom was obtained from Dutch colonial rule; independence was resumed after centuries of foreign subjection; parliamentary institutions were replaced by authoritarian ones; force was employed to wrest Western New Guinea from the Netherlands and to try to destroy the neighboring new nation of Malaysia; and the country's foreign policy was increasingly brought into line with that of the People's Republic of China.

Compared to those troubled 20 years, the 12-year Suharto period has so far seen marked political stability, national consolidation and greater, if uneven and still insufficient, economic development. In the Suharto era the army, one of Indonesia's four main political forces before 1966, has controlled the country's government literally from top to bottom. Its often emotional anti-communism has effectively eliminated communism as a political alternative for Indonesia for probably many years to come.¹ However, Suharto's now-aging "New Order" has not ended the possibility of renewed democratic development, although it has done very little to aid it (except for the elimination of the once very powerful Indonesian Communist movement). Unintentionally, Suharto may have done a great deal to prepare the way for the ultimate assumption of political power by the country's increasingly coalescing Muslims.

In Indonesia today, the political stage is set for one of the following alternatives: the replacement in five years or less of the 56-year-old Suharto and his fellow

soldier-rulers by a younger generation of military politicians; a new outbreak of political violence in which estranged Muslim elements directly or indirectly displace Suharto (possibly with a more pro-Islam soldier) and his odd coalition of traditionalist-mystical and modernist-secular military-civilian supporters; or the development of a potentially violent impasse, in which Vice President Adam Malik, former Vice Presidents Sultan Hamengku Buwono (of Jogjakarta) and Mohammad Hatta, and other able and respected civilians may negotiate a political compromise establishing genuinely free and open elections and a truly democratic government.

Indonesia's government is nominally elected. Parliamentary elections were held in 1977, the first since 1971, and *Golkar* (Association of Functional Groups), the government party, won slightly more than 62 percent of the popular vote.² The vote for the United Development party (the PPP), the Muslim party, was a little under 30 percent and for the Indonesian Democratic party (the PDI), the successor to eight former non-Islamic parties, 8 percent.

At stake were 360 seats in the House of Representatives, to which, however, an additional 75 soldier and 25 non-military members are appointed by the government. This government, in turn, is headed by President Suharto who is elected neither directly by the people nor by the House of Representatives but by a supraparliamentary People's Consultative Congress consisting of both the elected and appointed House membership, 366 delegates selected by provincial legislatures, and 94 national government appointees.

President Suharto, hero of the anti-Communist reaction to the 1965 pro-Communist takeover bid, was unopposed and was unanimously reelected for a third term on March 22, 1978, by the People's Consultative Congress. His successful reelection, not surprisingly, was a foregone conclusion; he had appointed 194 of the 920 members of the Congress, and two-thirds of the elected House of Representatives membership belonged to his party, *Golkar*. *Golkar* candidates in the partly controlled 1977 election had been approved by Suharto and his military lieutenants.

What did come as a surprise, however, was the

¹ Indonesian authorities stated in 1978 that most Communist political prisoners would be released by the end of 1979. *The New York Times*, April 12, 1978. See also David Jenkins, "A Date with Freedom," *Far Eastern Economic Review*, August 11, 1978.

²R. William Liddle, "Indonesia 1977: The New Order's Second Parliamentary Election," *Asian Survey*, February, 1978, pp. 175-185.

manner in which the Sultan of Jogjakarta chose to announce that he would not be a candidate for reelection as Vice President. One of the country's most respected nationalists of the independence-winning generation, the Sultan declared his decision on March 11, only days before the People's Consultative Congress assembled to elect the nation's two top leaders and to set the main policy guidelines for the next five years.

Significantly, March 11 was the twelfth anniversary of the day General Suharto had forced the transfer of government authority from disgraced President Sukarno (linked, however loosely, to the 1965 Communist plot) to himself.

Was Sultan Hamengku Buwono only withdrawing his personal endorsement of President Suharto's leadership? Or was his choice of March 11 as the day to announce his decision intended to suggest similarity between the historic end of one era (that of Sukarno) and the disappointed hopes of the Sultan in Suharto's self-proclaimed "New Order"?

Hamengku Buwono's health had been failing for some time, and his decision, accordingly, was not surprising. The manner and timing of his announcement, however, were unexpected and had a dramatic impact—greater than was suggested in Indonesia's public media.

Selected immediately to succeed the Sultan was skilled and adaptive former Foreign Minister Adam Malik, independent-minded but loyal Suharto civilian ally and the Jakarta regime's main tie to the nation's liberal intellectual and political elements. The widely respected Malik is generally regarded as an important link between the soldier regime and a possibly more genuinely democratic successor civilian government.

Indonesia's government is no less military because her President, a four-star general, has "retired" from the military. Ten of the 24 senior ministers in the Cabinet named after Suharto's March, 1978, reelection are generals, and their duties are by no means limited to military matters. Above the many ministries, moreover, are three "mega-ministries"—two of them headed by four-star generals.³

General Maradan Panggabean, the 55-year-old former Minister of Defense, heads the "super min-

istry" coordinating political and security affairs: defense, foreign affairs, interior, information and justice. The other senior soldier heading a series of ministries is 54-year-old General Surono Reksodimejo, who directs the departments of religion, social affairs, labor, education, and health. New to the Cabinet, in addition, are two members of what was formerly known as President Suharto's "kitchen cabinet": very able Lieutenant Generals Ali Murtopo and Alamsyah.

Thus almost half the 24 senior Cabinet members are generals of one kind or another; and soldiers also dominate the whole government—and economy—of the far-flung Southeast Asian island-republic of 1.35 million. The governors of most of the country's 27 provinces are military men, and so are the mayors of the main cities. Of 920 members of the People's Consultative Congress, 165 are generals—and they are not the only uniformed participants in the nominally supreme policy-setting body. Soldiers are also important in the House of Representatives; *Golkar*, the government party, is their political creation and instrument.⁴ And they play a major role in the economy, running important government corporations (like the oil monopoly *Pertamina*) and otherwise taking part in the nation's commercial life, owning their own companies or taking part in the direction of various other private enterprises.⁵

Some Suharto supporters are widely regarded in Jakarta as possible successors to the smiling soldier-politician. General Surono, who heads one of Suharto's "mega-ministries," is one of these, and he has many political supporters in both military and civilian circles. General Widodo, one of the most politically astute of Indonesia's generals, is another possible contender for Suharto's job, and in various ways—including public speech-making on a broad range of subjects—he is apparently seeking to establish his credibility as the nation's future political head. Both Surono and Widodo come from the most important of Indonesia's three army divisions, the ranking Diponegoro division (from which President Suharto also hails).⁶

General Ali Murtopo, however, is also an important political force. He increased his political power with the assumption of the Information Ministry in March, 1978, and he heads an important military faction in Indonesia's ruling soldier elite. Nor can defense-security "mega-ministry" head General Panggabean be discounted as a potential top Indonesian political leader, although he is not generally regarded as a particularly likely successor to Suharto.

But will Suharto be followed as Indonesia's President by one of his trusted lieutenants?⁷

Will the succession necessarily be delayed until 1983?

And will it be peaceful, even if the changing of the

³David Jenkins, "Introducing the Superstars," *Far Eastern Economic Review*, April 7, 1978.

⁴The dominance of the military in Indonesia's government is analyzed by Henry Kamm in "In Indonesia Everybody That Counts Is a General," *The New York Times*, April 30, 1978.

⁵Guy Sacerdoti, "Letter from Jakarta," *Far Eastern Economic Review*, March 31, 1978.

⁶Robert Shaplen's December 12, 1977, "Letter from Indonesia," in the *New Yorker*, treats Surono's and Widodo's succession prospects in some detail.

⁷David Jenkins, "Suharto Tinkering with the Engine," *Far Eastern Economic Review*, April 14, 1978.

political guard results in the replacement of one military leader by another?

Nobody knows, of course. But new currents of discontent within the senior military-political leadership are stirring and will probably increase in the years ahead. Younger soldiers, moreover, may well be impatient with the long wait in line before the generals now in their fifties pass from the political as well as military scene.

The younger generation of soldiers may well be a more likely source of tomorrow's Indonesian senior political leadership than the older soldiers who are President Suharto's chief lieutenants. But they are not the only alternative for political leadership in the 1980's—or even the most likely. The succession, moreover, whenever it occurs and whomever it brings to Indonesian politics, may not be peaceful.

ISLAM: A POLITICAL ALTERNATIVE

Islam has always been an ingredient of Indonesian nationalism. The first Indonesian nationalist organization, *Sarekat Islam*, founded in 1911, was a Muslim response to an unwanted foreign economic presence in the old Netherlands East Indies. With the recognition of independence from Dutch colonial rule in 1949, a distinctly minority movement emerged that espoused a Muslim theocratic state in preference to the secular society and political system favored by President Sukarno and almost all the other nationalist leaders. The extremely persistent *Darul Islam*, as the insurgent theocratic state movement was called, was eliminated by the army during the Sukarno years.

In the late Sukarno period (1959-1965), the accelerating drift towards communism internally and in terms of international alignment greatly alarmed the Muslims, who formed an overwhelming majority of the country's inhabitants. During the early years of independence, modernist Muslims, organized as the *Masjumi* political party, were an important political force in government and politics, but participation of some of their strongest anti-Sukarno members in the 1958 anti-centralization Sumatran revolt led to the banning of the organization. The more traditionalist *Nahdatul Ulama* (Muslim Teachers) remained a legal political force, but its importance, like that of other non-Communist parties, declined steadily in Sukarno's "guided democracy" years after 1959. By the time of the September 30, 1965, affair—the abortive pro-Communist attack against the country's anti-Communist military leadership—Islam in Indonesia was largely a politically spent force.

In the anti-Communist "counterrevolution" of late 1965 and 1966, Muslims took their political revenge

⁸David Jenkins, "Power of the Mystic Lobby," *Far Eastern Economic Review*, March 31, 1978.

⁹For an excellent report on this subject, see Henry Kamm's dispatch in *The New York Times*, April 18, 1978.

against the once powerful Communists. In a veritable bloodbath that resembled a "holy war," hundreds of thousands of people, including large numbers of non-political people (some of them ethnic Chinese and moneylenders of various racial backgrounds), lost their lives. Communism was "anti-god"—that is, anti-Islam—and its adherents paid dearly for their failure to take seriously the faith of Muhammad as an obstacle to their abortive takeover.

The new Suharto regime that followed Sukarno after his displacement in March, 1966, was to prove to be no friend, political or otherwise, of Islam. Suharto himself was strongly disposed to traditional Javanese mysticism, rooted in indigenous beliefs that preceded the arrival of Islam in the islands—a factor that was hardly appreciated by Muslims, even though Indonesian followers of Muhammad are less rigorously exclusivist than their Middle Eastern counterparts. To add political meaning to his lack of personal identification with Islam, Suharto, for other reasons, forced Indonesia's various Muslim parties into a new single party, the United Development party (PPP).

In 1973, when President Suharto was elected to a second term and the People's Consultative Congress drafted its general guidelines for the next five years, the new basic policy statement emphasized the responsibility of Indonesian citizens to practice their *agama dan kepercayaan* (religion and beliefs). Partisans of mysticism in the Congress declared that "beliefs" were something besides religion, meaning Islam, a position that angered the Muslims. The Muslims, however, were still reeling from their forced merger into a single party and so did not act.

Five years later, in 1978, when the People's Consultative Congress again assembled, a "committee of eleven" (with eight pro-Suharto generals as members) proposed the strengthening of references to *kepercayaan* (beliefs) in the basic policy statement. The government also suggested the inclusion of mystical beliefs in a new interpretation of the *Panjata Sila* (Five Principles) or state ideology.⁸

Muslim members of the Congress were furious. As they saw it, Suharto was attempting to equate "primitive" Javanese mysticism with sacred Islam.⁹ Former Vice President Mohammad Hatta, who helped to draw up Indonesia's first constitution, publicly opposed the government, declaring that "belief" in the policy statement had to be a synonym for religion (Islam). As one observer put it, Muslims "see the *kepercayaan* issue as the first shot in a new government campaign to curb the influence of political Islam."

The Muslims' opposition to the government on the religious issue prompted the first demanded and recorded legislative vote in Indonesia since Sukarno's espousal of "guided democracy" in the late 1950's. Following their defeat, all but 20 of the 111 Muslim

party members walked out of the chamber. Leaders of the opposition, members of the former *Nahdatul Ulama* faction of the PPP, were very strongly stirred by the government's intentions.¹⁰

Suharto, of course, carried the day, and his regime appears in no immediate danger from the carefully controlled political Muslims. Indonesia, moreover, is not Iran, and the kind of religiously inspired disorders that broke out there in September, 1978, will probably not be immediately duplicated in the Southeast Asian archipelago nation. However, many political Muslims see themselves with their backs against the wall and, if their fear of the increasing social and political importance of mysticism proves justified, they may feel that they must act dramatically to protect their very survival.

Muslim-inspired demonstrations against Suharto, possibly supported by increasingly dissident students, could occur during the ex-general's third five-year presidential term, and they could get out of hand in an Indonesia where emotions have simmered just below the surface for several years.¹¹ The right kind of Muslim action at the right time could bring Islam to a position of political leadership in Indonesia. It might also provide an excuse for a young officers' takeover. And it could lead to uncontrollable violence that might produce unpredictable but probably weakening consequences for Indonesia and her neighbors.

THE ECONOMY AND THE PEOPLE

Indonesia is very much an underdeveloped country, albeit one that is extraordinarily rich in a wide variety of natural resources. Indonesia's level of development and the inequity of distribution of her wealth, moreover, have given her one of the lowest mass living standards in the world today, with all this means in terms of widespread resentment against the ruling regime.¹²

However, living is probably easier for most Indonesians today than it was in the grossly inflationary late Sukarno era, when international prestige and political flamboyance took precedence over economic development. The Suharto government is very development-conscious, has made measurable progress

¹⁰David Jenkins, "A Touch of Democracy," *Far Eastern Economic Review*, April 7, 1978.

¹¹For an account of student dissidence, see Frederic A. Moritz, in the *Christian Science Monitor*, March 15, 1978. See also the story by Bill Peterson in the *Washington Post*, March 12, 1978.

¹²See R. William Liddle, "Indonesia 1976: Challenges to Suharto's Authority," *Asian Survey*, February, 1977, pp. 96-99.

¹³Shaplen, *op. cit.*

¹⁴These data were cited by Henry Kamm, in *The New York Times*, April 27, 1978.

¹⁵Shaplen, *op. cit.*

¹⁶David Jenkins, "Indonesia's Challenging New Frontier," *Far Eastern Economic Review*, August 4, 1978.

economically, and pursues a very low-key foreign policy. But it is more than 13 years since Sukarno ruled in Indonesia, and Indonesians, not unnaturally, have short memories.

President Suharto claimed in 1976 that only three out of ten Indonesians were living below the poverty level, in contrast with nine out of ten a decade earlier.¹³ His own health ministry admitted in 1978, however, that 60 percent of the country's population was malnourished. Daily per capita protein consumption is less than the minimum 40 grams recommended by the Food and Agriculture Organization of the United Nations. Compared to Americans, who annually consume 176 pounds of meat per capita, an Indonesian eats only 8.4 pounds of meat a year. He also only drinks a pint of milk a year and eats less than a dozen eggs.¹⁴

The nation's basic food is rice, and in 1978 Indonesia did not grow enough rice to feed her population. The country's export earnings totaled approximately \$10 billion, and one-quarter of this amount went to purchase additional rice to feed the people in 1978; as a result, this money could not be used to hasten the pace of land development.

Aid to Indonesia from various sources totaled more than \$2 billion in 1978, one-fifth again as much as the country's export earnings.¹⁵ The chief contributors were the World Bank and the Inter-Governmental Group on Indonesia, a 13-nation consortium in which the United States participates. How much of this aid—and of the country's commercial earnings—actually benefits the nation as a whole, instead of well-placed individuals, is impossible to state. Corruption in Indonesia is probably as great as it is anywhere in the world and corruption is partly responsible for the luxurious life-style of some of the elite in the capital of Jakarta, where half the city's inhabitants probably live below the subsistence level.

A problem that may loom larger in the years ahead (it has been a serious irritant since independence and underlay a 1958 regional revolt) is the percentage of the country's export earnings that come from a single island—big and rich Sumatra, across the straits from the peninsular portion of neighboring Malaysia. Sumatra, with an area as large as Japan, has only 24 million people, compared to the more than 80 million on the crowded and politically vital island of Java (on which Jakarta is located). Fifty percent of Indonesia's export earnings come from Sumatra, which also produces half the country's oil output (900,000 barrels a day) and an even larger share of Indonesia's rubber and palm oil.¹⁶

The wealth that produces the foreign earnings belongs to Sumatra, but the earnings are disproportionately spent on Java—in the capital city of Jakarta, to enlarge the personal wealth of a corruption-marked national elite or to support projects from which

Sumatra's people do not seem to benefit directly. National identification is much stronger today than it was in 1958, the year of the Sumatran revolt, but corruption is also greater. Islam, too, is stronger on Sumatra than in some other parts of the islands, and Javanese-style mysticism is neither understood nor appreciated by Sumatra's Muslims.

Indonesia cannot continue indefinitely to improve the living standards of her masses so slowly, while the few, many of them generals, live so well and so conspicuously. Economic discontent is mounting at the expense of the government that permits these conditions, the Suharto regime. Either junior officers or disgruntled Muslims could exploit this discontent, which might also just boil over spontaneously.

FOREIGN RELATIONS

In the international, high-living heyday of President Sukarno, emerging Indonesia sought to play a leadership role on the world stage. Not so, however, the successor Suharto regime, which has concerned itself with relations with its neighbors and other aspects of the Southeast Asian strategic situation, keeping the major Communist nations at bay and retaining the friendship of the United States. Some dimensions of these relations remained constant, while others began to change in important ways.

The most important policy under review by the Suharto government in 1978 dealt with the People's Republic of China. Under new Chairman Hua Kuo-feng and Premier Teng Hsiao-ping, successors to Chairman Mao Tse-tung, China has tried to normalize her relations with nations like the United States and to expand her international contacts in general (as evidenced by Chairman Hua Kuo-feng's mid-1978 trips to Yugoslavia, Romania and Iran). Three of Indonesia's partners in the Association of Southeast Asian Nations (ASEAN)—the Philippines, Malaysia and Thailand—have already established diplomatic ties with Peking, and the pressures on Jakarta to meet China halfway are considerable. Indonesia, however, has a specific history of relations with the Chinese that the other ASEAN countries do not have. Many Indonesians, particularly President Suharto and the other ruling generals, claim to believe that Peking was involved in the September 30, 1965, attempt to wipe out the country's top military leaders—that is, themselves.

Another problem is the important economic role of ethnic Chinese in Indonesia's economy. While they constitute only about three million in a population of 135 million in Indonesia, Chinese are alleged to control as much as 80 percent of the privately owned sector of the economy. Only one-third of the Chinese

¹⁷For a very good analysis of Sino-Indonesian relations, see Henry Kamm in *The New York Times*, April 24, 1978.

¹⁸*Far Eastern Economic Review*, August 18, 1978.

¹⁹*Ibid.*

are nationals of the People's Republic, but the generals fear Chinese loyalty to Peking and possible Chinese efforts to exploit this loyalty.¹⁷

The Sino-Vietnamese controversy that flared in 1978 upset Jakarta. A Communist Vietnamese crackdown on private entrepreneurs, mainly Chinese, provoked a very strong response from Peking and led to a major crisis in relations between China and Vietnam. If China took such a strong stand on behalf of ethnic Chinese (who were not even Communists) in a Communist country, what would happen if the Chinese in non-Communist Indonesia called for help? This is the question the generals asked themselves as they pondered a policy shift in their government's relations with China.

The message for Peking—from Hanoi and elsewhere in Southeast Asia—should have been clear. Earlier in 1978, Teng Hsiao-ping had visited Burma—only to be rebuffed by Suharto's counterpart, President Ne Win, when Teng would not agree to halt Chinese aid to Burmese Communist rebels in return for improved relations between Rangoon and Peking. At least temporarily, Indonesia's Communists are dead politically, but Jakarta's generals may want the kind of promise the Chinese refused to give Burma.

Indonesia's leadership is no less suspicious of the Soviet Union and its friends. While Jakarta agreed in August, 1978, to exchange ambassadors with Communist Kampuchea (Cambodia), a Chinese ally,¹⁸ Suharto subsequently postponed a visit from Vietnamese Premier Pham Van Dong.¹⁹ The Indonesians regard Vietnam as a major threat within the region; they have cautioned the United States to move slowly in normalizing relations with Hanoi and extending aid to Vietnam. And they apparently fear that the Vietnamese might be acting as a regional proxy for the Soviet Union. Jakarta does not want to become a pawn in the Sino-Soviet conflict in the region and, while that does not seem immediately likely, the Indonesian caution in relations with either China or the Soviet Union or their allies is understandable.

Indonesia's relations with the United States, meanwhile, continue to be close and cordial, although the United States may be resented by anti-regime elements (and Muslims who see the Americans, wrongly, as a necessary prop of the Suharto regime). United States Vice President Walter Mondale visited Jakarta in May, 1978. He reaffirmed a 1954 American pledge

(Continued on page 229)

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"So far, Malaysia has demonstrated that a representative democracy is an acceptable concomitant of economic development," writes this specialist, who notes that "Malaysia has taken tremendous economic strides" and "is widely respected as a prosperous and industrious nation. . . ."

Malaysia at the Polls

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ON July 8, 1978, Malaysians exercised their right to vote to decide who should represent them in the 154-seat Lower House of Parliament and in 276 constituencies of state legislatures. This was the fifth national election since independence but the first time that the Yang di-Pertuan Agong (Supreme Ruler) had been asked by the government to adjourn Parliament one year before its mandated expiration. Once again, the National Front won by an overwhelming majority without solving the basic societal issues that have plagued the country since its inception in 1957.

As Malaysia moves into the third decade of her existence, her institutions are fully legitimized; a semblance of national identity exists; a high rate of economic progress has been attained; and norms of conflict management have been established. The structure for these accomplishments includes a parliamentary form of government fashioned after the Westminster model, a constitutional monarchy, a com-

petitive party system, and an executive representing the majority coalition.

This description, while correct, might lead to the wrong conclusions. There is some measure of political tranquility, but there are also political prisoners. There is pride in citizenship, but deep ethnic cleavages prevail. The fruits of modernization are welcomed, while aspects of traditionalism continue to hinder development. An independent judicial system is respected, but corruption flourishes. Even the Yang di-Pertuan Agong referred prominently to current weaknesses in his opening address to Parliament early in 1978.¹

In 1978, the political climate of Malaysia was still seriously affected by fundamental sociocultural cleavages. The room for compromise seemed to be narrowing when the formidable Malay unity was threatened by fragmentation after the March state election debacle in Kelantan.² As a consequence, a new Malay party, Berjasa, came into being to challenge Partai Islam (PAS) and, by implication, the ruling United Malay National Organization (UMNO).^{*} Inter- and intra-communal divisions have been reinforced by religious, linguistic, geographic and materialistic factors. The vulnerability of the political system is undoubtedly exacerbated by the almost total absence of cross cleavages that could have a moderating effect. The need for a unifying element was the theme of this year's National Day speech by Malaysia's Prime Minister, Datuk Hussein bin Onn.³ He urged the "creation of a national Malaysian culture" since "a nation without a culture is like a man without a character." In the meantime, the ever present danger of communal extremism induces one-sided policies and excuses heavy-handed politics.

*Political parties not identified in the text are listed here in the order in which they are mentioned: DAP, Democratic Action party; SAPO, Sarawak Peoples Organization; PEKEMAS, Social Justice party; PSRM, Parti Sosialis Rakyat Malaysia; Gerakan, a government party; PPP, Peoples Progressive party; PPBB, Party Pesaka Bumiputra Bersatu; SNAP, Sarawak National party; SUPP, Sarawak United Peoples party.

¹Address by His Majesty to the First Meeting of the Fourth Session of the Fourth Parliament, March 20, 1978 (Kuala Lumpur: Government Printer, 1978), p. 1.

²The East Coast state had been governed by PAS, a component of the National Front. Personality and policy conflicts brought expulsion of the PAS in December, 1977, and the creation of a new Malay party, Berjasa. This led to state elections on March 11, in which the UMNO won 22 seats, the MCA 1, Berjasa 11, and PAS only 2. For a detailed description, see *Far Eastern Economic Review (FEER)*, March 24, 1978, pp. 8-9.

³The exhortation for *bersatu* (unity) has been constant.

⁴Federation of Malaysia, Department of Statistics, *Population Projection for the States of Peninsular Malaysia*, March, 1978, Table 2, p. 24, and *Information Malaysia 1976/77* (Kuala Lumpur: Berita Publ. SDN, 1977), p. 163. For data on Malaysian Chinese, see particularly *FEER*, June 16, 1978, pp. 21-22.

Malaysians seem fully aware of the possibilities of disintegration, which are real as long as communal divisions remain absolute. The Malay segment of the population comprises 45.2 percent, to which—conveniently but erroneously—another 9.7 percent are added, representing diverse racial groups in East Malaysia (e.g., Dyaks, Kadazans). Malaysian Indians amount to about 10 percent and the Chinese, to 35.1 percent.⁴ Much of today's uneasiness seems to

coalesce around the Malaysian Chinese, of whom 225,000 out of a total of four million are technically still stateless. Aside from their demand for full citizenship rights, Malaysian Chinese insist on linguistic recognition in separate Chinese schools. They charged inequity with regard to university admissions when, for the academic year 1978/1979, only one-sixth of 6,000 newly enrolled students were ethnic Chinese. Despite their allegations of discrimination, the Chinese maintain a major influence on the nation's economy, although with government assistance, the Malays are now sharing a larger portion of the country's wealth. Reduced Chinese influence in the commercial sector was not offset by an improved political stature, and inter-communal competition remains Malaysia's major problem.

Racial polarization has not been bridged by political aggregation. Instead of using the party system as a way to cut across ethnic divisions, political parties have perpetuated communal interests; only the fear of recurring domestic violence brought about a nominal consensus in a coalition of National Front parties. This undercurrent of anxiety may have induced the decision for an early election. Some observers pointed to a 10-year cycle that had brought misfortune and even bloodshed and riots, as in 1959 and in the 1969 national elections. By having the polls one year ahead of schedule and in an even-numbered year, the soothsayers predicted, history would not repeat itself—and they were right. But there were more serious reasons for early elections.

Most likely, Prime Minister Datuk Hussein Onn was experiencing the involuntary restraints of not having been elected to that post, having assumed his mandate when his predecessor, Tun Abdul Razak, unexpectedly died in January, 1976. The desire to prove himself in national electoral combat, to approve his own slate of candidates, and to move from acting to actual president of the UMNO, may have influenced his decision. Unrest among Malays was increasing, leading to the exit of Partai Islam from the National Front, and to internal party struggles in Perak, Malacca, Kelantan and the UMNO youth. There was serious doubt whether the 1977 eight percent growth rate could be maintained; the December, 1978, review of the Third Malaysia Plan may show many targets behind schedule.

On the plus side were the astounding victory in Kelantan, the adroit handling of some corruption cases, a resurgent esteem for Malaysia in regional foreign relations, and demonstrated success in dealing with Communist incursions. And, the July election

⁵The rule specifies nine years as a member. Those elected in May, 1969, would have lost their pension rights.

⁶New Straits Times, June 24, 1978. Opposition parties were characterized as "mosquito" parties: able to sting but without lasting effect.

came before the August fasting month and the UMNO General Assembly elections, but after June, 1978, so that the election would not deprive many members of Parliament of their pensions.⁵ By Royal Proclamation, Parliament was dissolved on June 12; nomination day was June 21; and the election was held on July 8. All 154 seats in the Dewan Rakyat were at stake, as were the Assembly seats in 10 state legislatures.

Malaysia's insistence that her salvation lies in the preservation of communal divisions has led logically to the maintenance of a multiparty system. With the adoption of a conciliar form of government, and in the absence of any racial group able to guarantee a majority, coalition politics became inevitable. The result, in 1952, was the formation of the alliance that combined the UMNO, the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC). This coalition won every national election after independence. But after the 1969 poll, it was apparent that this tripartite group would no longer be strong enough to insure absolute control, since the MCA had proved unable to attract a majority of the Chinese electorate. Consequently, in 1973, Tun Abdul Razak transformed the alliance into the National Front (NF), in a deliberate attempt to absorb as many former opposition parties as were willing to switch sides. The objective was to retain a constitution-changing two-thirds majority in Parliament (never once relinquished), with the UMNO as the leading component.

The Alliance-cum-National Front has subsequently been able to acquire and to hold a mass following that permitted it to assume the dominant center position, confining the smaller opposition parties to the fringe of the political spectrum. With no alternative government even a remote possibility, opposition groups have had little choice. They can conform and accept government perquisites, or support the notion of a "loyal" opposition, confined to the periphery of political action. Opposition groups have adhered to democratic rules either out of conviction or out of a need for self-preservation and have had one element in common: a durability in their failure to attract electoral success. Most of these minor parties come and go.

Twenty-six parties took part in the national elections. Of the 16 parties that comprised the opposition, eight concentrated their campaigns in West Malaysia and another eight in Sabah and Sarawak. Only three of them, the DAP, PAS and SAPO, obtained seats in Parliament, and it can be expected that many of the remaining organizations will cease to function. The only common denominator for all these groups is their rejection of the incumbent government, a sentiment not strong enough to forge joint action. In Peninsular Malaysia, five minor parties formed a rather loose United Peoples Front, but without success.⁶ Opposi-

tion in Malaysia is expressed in the secrecy of the polling booth and only to a lesser extent in party statistics. Opposition parties aggregate around leadership and not membership. Once Caesar is gone, the legions dissipate.

PAS leader Datuk Asri Muda resigned as a Cabinet minister in December, 1977; his party lost in Kelantan in March, 1978; he himself was defeated at the polls in July; and in September, he was personally accused of corruption by the Attorney General's Department.⁷ PAS decreased from twelve to five seats in the Dewan Rakyat. PEKEMAS president Tan Chee Khoon relinquished his post in 1977 to Ahmad Boestamam, a veteran of 30 years in politics, including 13 years in prison. Charisma and party loyalty could not be transferred; PEKEMAS lost and Boestamam resigned. The PSRM leader, Kassim Ahmad, has been in detention under the Internal Security Act since November, 1976, and his party has been in limbo. In the case of the DAP, the effect has not been evident. Its Secretary General, Lim Kit Siang, spent 18 months in detention after the 1969 election. In May, 1978, he was charged with five offenses under the Official Secrets Act for some 1976 revelations concerning corrupt practices in the acquisition of naval equipment. Nevertheless, Lim's party almost doubled its share of parliamentary seats, but pretrial publicity and public sympathy may have aided in this feat.

Anti-government issues centered on demands for low-cost housing, Chinese access to tertiary education, consumer protection, commercial favoritism toward Malays, land reform and the introduction of a minimum wage. Many parties stressed democratic socialism, a lost cause in a communally oriented, non-industrialized society that owes its well-being to free market forces. PAS introduces a strong Islamic element into the campaign, but most Malays seemed to reject this form of appeal as antithetical to a multi-racial society.

The NF was able to present a more unified picture. Not only did the coalition have a more permanent character, it had an undisputed leader in Datuk

⁷FEER, September 22, 1978, p. 5; for subsequent personality data, see *Malaysia Bulletin*, August, 1978, pp. 14, 19; FEER, August 5, 1978, p. 12.

⁸FEER, September 15, 1978, p. 23; for the NF manifesto, see reprint in *New Sunday Times*, July 2, 1978, pp. 11-14; Ishak bin Tadin, "Dato' Onn and Malay Nationalism, 1946-1951," *JSEAH*, vol. 1, no. 1, March, 1960, pp. 56-68. For an excellent Hussein appraisal, see *FEER*, March 31, 1978, pp. 16-19; the Assembly speech is in *FBIS* (Foreign Broadcast Information Service), September 18, 1978, p. 01.

⁹There is a permissible disparity of up to 15 percent; see articles 46, 116, 117 of the federal constitution. Also Federation of Malaysia, *Report of the Election Commission on the Delimitation of Parliamentary Constituencies* (Kuala Lumpur: 1960) and various constitutional amendments, e.g., no. 14 of 1962 and no. 2 of 1973.

Hussein Onn and the multiple resources of an activist government to back electoral promises. The overwhelming strength of the UMNO within the front subdued competitive overtones between the MCA and Gerakan in Penang and among the component parties of Sabah and Sarawak. But unity is temporary in the zeal for victory. The PPP did not secure a seat and may disappear from the scene; Tan Sri Abdul Rahman Yaakub, chairman of the PPBB and Chief Minister of Sarawak, volunteered in September to resign his positions; even the MCA's president and Cabinet minister, Datuk Lee San Choon, was rumored to be on his way out in the wake of his party's dismal showing.⁸

One week before the election, leaving little time for the opposition to respond, the NF issued a 20-point manifesto promising to eradicate poverty, to uplift the Malay, to encourage private investment and to enhance the quality of life. Ultimately, the implementation of promises and the continued existence of the NF will depend upon Hussein Onn, prime minister of UMNO and chairman of the National Front. His father, Dato' Onn bin Ja'afar, had created UMNO in 1946 but was forced to resign when he advocated the inclusion of Chinese members. As UMNO Youth leader in the early 1950's, Hussein entertained similar notions, but he withdrew from politics when his multiracial ideas were unacceptable. They are still unacceptable today, but experience has mellowed Hussein's style if not his convictions. During the twenty-ninth UMNO general assembly in September, 1978, Hussein described his party as a "bridge between the people and the government." But UMNO is the government, and its policies are the program for the country. Once the distinction between party and government is lost, intolerance toward political opposition tends to increase.

For many months preceding an election in Malaysia, there is an air of suspense and speculation as if the unthinkable—the defeat of UMNO—could happen or would be permitted to happen. Over the years, the government has taken a number of entirely legal steps to insure perpetuity, including constitutional amendment, development grants, gerrymandering, preventive detention, and plain politics.

The country has one-vote-per-person, single-member constituencies in which a candidate wins with a plurality. An election district is defined both territorially and by population, and is allocated one seat in the Dewan Rakyat. The size of the electorate per unit is rather disproportionate to allow rural (Malay) districts an advantage over urban (Chinese) constituencies. Until 1973, the delineation of constituencies was based on the 1947 census. The change in 1973 did not bring about a more equitable balance, but was designed to accommodate newly created Federal Territory.⁹ The move was also politically motivated.

The urban-rural dichotomy is also expressed in the size of the constituency. The urban districts of Petaling and Sungai Besi, both won by DAP candidates, have an electorate of 90,611 and 79,076 respectively. At the other extreme are rural constituencies like Raub (26,973) and Pagoh (26,302), which are solidly in the fold of UMNO. The political consequences of the electoral system are a decimation in the number of opposition parties and a deepening of existing ethnic cleavages. Disregard for minority views, particularly in culturally heterogeneous nations like Malaysia, could best be mitigated by some form of proportional representation, which is unlikely as long as the government seeks a guaranteed majority.

Three weeks before the election, the government announced a total ban on public rallies, which effectively curtailed political activity. Even travel by DAP leaders into Sabah and Sarawak was declared a security risk. The "ban" decision was justified by Hussein Onn as an attempt to avoid incidents in connection with the thirtieth anniversary of the Malayan Communist party's struggle against the government's anti-insurgency emergency, which began in 1948.

A real catalyst for victory was the concept of a national front. Hussein Onn was given the final choice of candidates for every constituent party and thus could reward loyalty and past performance. If members were dissatisfied with his selection, they could not run as nor support independents or opponents without incurring disciplinary action. On July 4, the NF executive announced that it had expelled 17 candidates. There was only one uniform symbol, the scales of justice. NF cohesion and discipline paid off; 12 of its parliamentary candidates ran unopposed. By absorbing opposition parties into the governing coalition, electoral victory was assured at the expense of a compromise at the lowest common denominator.

The fifth general election in Malaysia harbored few surprises. Of 5,069,689 eligible voters in the western part of the country, 62.11 percent went to the polls, compared to 68.39 percent in Sarawak and only 50.2 percent in Sabah. Almost one million new voters had been included on the rolls since 1974 and, judging by the results, they must have continued the trend in communal voting. The greatest losers were the MCA and PAS, and their corresponding beneficiaries were the DAP and UMNO. The MCA decreased its standing from 20 to 17 seats, and there are many middle class Chinese who believe that it lacks credibility and representativeness. Gerakan fared better with a regional base in Penang, and the DAP succeeded in formerly MCA urban districts. The MIC lost one seat

¹⁰Lim viewed his party's victory as "a reaffirmation . . . for a democratic system in Malaysia." *New Straits Times*, July 24, 1978, p. 24, and *The New York Times*, July 11, 1978, p. A11.

to the DAP but seems otherwise to be holding its own.

In terms of percentage, the DAP showed resilience and increasing strength. For the first time in Malaysia's history, a peninsular party gained a seat in East Malaysia, and came close to a second seat. Two DAP winners were elected while in political detention. Their seats are in doubt since no immunity was granted; under the Internal Security Act, they can be detained for up to four years without being formally charged or convicted. DAP's representation is concentrated in the Federal Territory of Kuala Lumpur, in Penang and Perak, but Lim Kit Siang already announced in a post-election statement that a new membership drive would extend into Kedah.¹⁰ Sabah and Sarawak should also be a fertile ground for expansion if free movement is permitted.

Electoral returns from Sabah (13 seats for the NF) belie reality. Although Berjaya and USNO are both components of the NF, they are opposing each other at state level. Without former president Tun Mustapha, USNO's demise is only a question of time. Most constituencies were won by minimal majorities and are yearning for new political directions.

Sarawak appears more politically diversified, with 20 percent Malays, 25 percent Chinese, and the rest Dyaks and other indigenous groups. The Malays (primarily in the PPBB) provided the state's chief minister and kept a disparate coalition in the National Front. With the imminent resignation of Rahman Yaakub, PPBB seeks to merge with UMNO, which would give the latter entry into Sarawak but with little apparent political gain. SNAP, the major Dyak party, seems to be destined for greater federal attention, and its leader, Leo Moggie, has already accepted a Cabinet post in the Kuala Lumpur government. SUPP, a predominantly Chinese organization, has been restive, and almost left the NF because it was coerced into using the Front's symbol.

Where does this leave the National Front? UMNO has clearly emerged as the dominant political force. The Malays are temporarily unified because viable options do not currently exist. PAS is fated to wither away, and Kelantan's Berjasa still has to prove itself as an attractive alternative. Hussein Onn was finally given his own mandate, and his post-election Cabinet indicates his response to the results. The new directions were already laid down on December 31, 1977, when the Prime Minister reshuffled some of his senior

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"The current socialist leaders of Vietnam face unique and complex questions related to a development strategy that stresses the role of technology transfers from the advanced capitalist countries and emphasizes the role that multinational corporations can play"

Dilemmas of Development in Vietnam

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THE year 1975 marked a watershed in the history of the Vietnam Communist party (VCP).¹ Three decades of warfare directed against external powers came to an end, and at long last Vietnam was unified under Communist leadership. At that time, there were reasonable grounds for optimism about Vietnam's future despite the myriad problems left by the years of fighting. One of the key factors in this optimism was the fact that VCP leaders had already been through the process of assuming power and planning economic reconstruction.

Events since then proved how intractable the developmental process could be. The southern Vietnam of 1975 could not be compared to the northern Vietnam of 1954. In the first place, the American presence, with its massive injection of funds, had created a stubbornly individualistic capitalist economy that had experienced a standard of living unheard of in the north. The French influence over the northern provinces two decades earlier paled by comparison. Second, the external forces influencing Vietnam had changed. In 1954, China was first off the mark in aiding Vietnam; her contributions exceeded those of the Soviet Union. In 1975, the relationship was reversed, and Moscow was playing the more important role. Third, and equally important, in the 1970's Vietnam found herself not at peace but in a hot war with neighboring Kampuchea (Cambodia) and in a verbal name-calling match with China, her former ally. Unlike 1954, when "United States imperialism" was Hanoi's enemy number one, 1977-1978 witnessed Vietnamese attempts to attract American reinvovement in Vietnam.

*The author wishes to thank Michael Baker of Melbourne for research assistance related to this article.

¹These are described in detail in G. Nguyen Tien Hung, *Economic Development of Socialist Vietnam, 1955-80* (New York: Praeger Publishers, 1977), pp. 12-17.

²See, *Communist Party of Viet Nam 4th National Congress, Documents* (Hanoi: Foreign Languages Publishing House, 1977).

³Douglas Pike, "Vietnam During 1976: Economics in Command," *Asian Survey*, January, 1977, p. 36.

⁴Nayan Chanda, "Comrades Curb the Capitalists," *Far Eastern Economic Review* (FEER), April 14, 1978, pp. 11-12.

⁵Quoted by Nayan Chanda, "A Hint of Purges Yet to Come," *FEER*, September 1, 1978, p. 9.

Lamentably, other factors have remained the same. Natural climatic conditions continued to punish Vietnam with floods in one region and drought in another.¹ Food production, especially rice, continued to be a major problem. Since 1975, population growth has outstripped grain production, forcing the Communist leadership to face an unpalatable fact of life: optimistic plans for development and eventual industrialization cannot be fulfilled until the "rice problem" is solved. Bound up with this dilemma is the fact that the wartime flow of refugees into urban areas has not yet been redressed; an estimated three million Vietnamese remain unemployed.

In terms of political development, the most important event after the 1975 unification conferences was the convening of the VCP's fourth national congress in December, 1976.² At that time, it was revealed that party membership stood at 1,553,550, or 3.2 percent of the population. This represented a growth in numbers of 338 percent since the third party congress of 1960. One of the main problems associated with this increase was the influx of technically and administratively incompetent individuals who find themselves in positions of authority. Since the bulk of the VCP's members came from the central and northern provinces, liberation in 1975 meant that many of them, perhaps half a million,³ had to be sent south.

Generally, many of the "best and brightest" Vietnamese were recruited into the army during the war years. Continued hostilities with Kampuchea and tensions with China have delayed their demobilization. In short, the VCP faces a mammoth problem in deciding how to weed out these incompetents.⁴

The party has always been alert to these problems. In mid-1970, to overcome these deficiencies it created a special "Ho Chi Minh class," an elite stream within the VCP organization. But insufficient numbers have been trained. In late July, 1978, a plenary session of the VCP's central committee considered the issue and strongly criticized those who showed weakness in the face of the nation's serious military and economic situation. The VCP's organ, *Nhan Dan*, hinted at dismissals when it observed editorially that the party "often has to leave behind . . . weak elements"⁵

In addition to the influx of new party members, at its uppermost level the VCP is about to face a

transition from one generation to another. The average age of Politburo members is 68. For the most part, Politburo officials are all early members of the Indo-chinese Communist party (the forerunner of the VCP), who have served continuously at the top for 30 years or more.

The fourth VCP congress was the first congress in 16 years; therefore, leadership changes should have been expected. Fourteen permanent members and 24 alternate members originally appointed in 1960 or thereafter did not appear on the 1976 roster. In light of subsequent Sino-Vietnamese enmity, it is perhaps significant that among those dropped were the present SRV ambassador to China, Nguyen Trong Vinh, and three former ambassadors to Peking: Hoang Van Hoan, Ngo Minh Loan and Ngo Thruyen.⁶

Although there were other changes,⁷ the changes discussed here are sufficient to illustrate that the generational gap was partly overcome by expanding the size of the party's central committee and by absorbing many new members at the lower levels of national leadership. The old guard has preserved its seniority and continues to rule as a collective, with General Secretary Le Duan the first among equals.

The role of the army continues to loom large in domestic affairs, especially in the south, where at least nine northern divisions are now stationed. During 1975-1976, large-scale demobilization was not undertaken because of the problem of finding employment for so many young men. Instead, soldiers were assigned to help restore the transportation infrastructure (building and/or repairing roads, bridges, and so on) and to work on state farms. Continued internal resistance to the VCP in the south, fighting with Kampuchea and tensions with China have led to an expansion in the number of men under arms, to an estimated two million, including self-defense forces.⁸

During 1976, the army was freed from its participation in southern military management committees when these committees were replaced by regular organs of government after national elections in April. By that time, armed opposition to the VCP was

⁶First suggested by P. J. Honey, "The 4th Congress of the Lao Dong Party," *China News Analysis*, March 11, 1977, p. 3; and since suggested by Chanda, "Vietnam Prepares for the Worst," *FEER*, June 9, 1978, p. 11.

⁷Carlyle A. Thayer, "Development Strategies in Vietnam: The Fourth National Congress of the Vietnam Communist Party," *Asian Profile* (Hong Kong), forthcoming.

⁸Chanda, "A Question of Priorities," *FEER*, August 4, 1978, p. 13.

⁹See Bui Anh Tuan, *Socialist Vietnam: The Way It Is*, Center for Strategic and International Studies, Georgetown University, Monograph (1977), pp. 17-18; and David Rees, "Vietnam Since 'Liberation': Hanoi's Revolutionary Strategy," *Conflict Studies*, no. 89, November, 1977, p. 11.

¹⁰Chanda, "A New Threat from the Mountain Tribes," *FEER*, September 1, 1978, p. 8-10.

centered mainly in the Central Highlands, where ex-FULRO (montagnard) elements continued to operate and in certain Mekong Delta provinces with a high percentage of Hoa Hao adherents. Scattered fighting was evident west of Hue where members of the VNQDD (Viet Nam Quoc Dan Dang) and Dai Viet parties operated, in portions of Tay Ninh province where armed Cao Dai groups roamed, and near Phan Thiet where militant Catholics conducted several ambushes. A so-called National Restoration Front (Mat Tran Phuc Quoc) has been formed that manages to stay in contact with émigrés living in France and the United States.⁹

When viewed in isolation, the potential of scattered resistance groups appears to be limited. However, one result of the hostilities between Kampuchea and Vietnam has been that resistance groups hostile to the SRV have access to an external sanctuary and arms. This development has transformed an irritating insurgency into something potentially menacing, because the insurgents threaten to capitalize on the grievances of southerners who have been alienated by three years of VCP rule.

At present, the gravest military threat comes not from groups operating inside Vietnam but from Cambodian forces across the border, who periodically shell and attack Vietnamese villages and new economic zones. The port town of Ha Tien has reportedly been evacuated as have scores of villages located near the border. The increase in the frequency and intensity of Khmer attacks in 1977 led the Vietnamese to mount what they officially termed a "counteroffensive" in late 1977 and early 1978.

Hand in hand with the outbreak of fighting between Kampuchea and Vietnam has been a deterioration in relations between Peking and Hanoi. Although land and sea boundaries are part of this dispute, the treatment of overseas Chinese in Vietnam by VCP authorities is at the center of the controversy. The potential threat of war with China has forced the Vietnamese to expand military forces in the north and to fortify strategic areas, thus diverting strength from the Cambodian theater. In 1976, the Vietnamese abolished autonomous tribal zones in the ethnically complex northern area bordering China. An insurgency in this region would create tremendous problems for the Vietnamese.¹⁰ All in all, Vietnam's military problems with her two Communist neighbors have meant a painful wastage of resources.

The third major political structure in Vietnam is the state bureaucracy, headed by a Council of Ministers. In April, 1976, all-Vietnam elections were held in 81 voting districts to elect a National Assembly of 492 members.

The sixth session of the National Assembly was held in mid-1977; at that time, the Democratic Republic of Vietnam was officially renamed the Socialist

Republic of Vietnam.¹¹ The Council of Ministers was enlarged and several political militants long active in the south were given portfolios. Nguyen Huu Tho, president of the NFL, was named one of six Vice Presidents. In November, 1977, no doubt as a result of setbacks encountered in implementing economic policies, there was a major Cabinet reshuffle.

One immediate result of unification was the redrawing of provincial boundaries, especially in the south, and the adoption of SRV administrative patterns. There are now 35 provincial units instead of 61.

The period from May, 1975, to December, 1976, particularly in the south, was characterized by energetic efforts to heal the wounds of war and to reconstruct or return to operation all industries destroyed or damaged during the war. One of the most pressing problems was the distribution of foodstuffs and medicines to ward off starvation and possible epidemics. Early attention was directed to repair of the transportation infrastructure.

The north-south railway linking Hanoi with Ho Chi Minh City was given top priority. Efforts were made to encourage an estimated 10 million displaced persons to return to their home villages. For all practical purposes, north and south remained distinct economic zones; separate currencies were in use until April, 1978.

At the fourth party congress, VCP leaders unveiled Vietnam's second five year plan, which, unlike its predecessor, emphasized agriculture, including forestry and fishing, and light industry (including consumer goods) over heavy industry, despite some disagreement within the VCP over these priorities (which reversed the earlier emphasis on industry).¹²

Two aspects of the overall plan deserve comment.¹³ First, in order to meet and solve the "food problem" (21 million tons of grain by 1980, an increase of 7.8 percent per annum, and the cultivation of one million hectares of presently unused arable land), the VCP leaders envisage a massive exercise in social engineering.¹⁴ In brief, the demographic map is to be redrawn

¹¹*The Soviet bloc's Council for Mutual Economic Assistance.

¹¹Tai Sung An, "The All-Vietnam National Assembly: Significant Developments," *Asian Survey*, vol. 17, no. 5, May 1977, pp. 432-439.

¹²Pham Van Dong, "On the Guidelines, Tasks and Principal Objectives of the Second 5-Year Plan," *Nhan Dan*, December 18-19, 1976.

¹³See Hung, *Economic Development*, pp. 174-193.

¹⁴See Le Duan, "Report to the Fourth Congress," Radio Hanoi, December 16, 1976.

¹⁵Teng Hsiao-ping revealed that Chinese assistance for two decades had totaled \$20 billion; David Bonavia, "Sailing Close to Breaking Point," *FEER*, June 16, 1978, p. 10.

¹⁶Roger Boyes, "Moscow Jolts Its Allies," *FEER*, August 18, 1978, pp. 10-11.

¹⁷Chanda, "Vietnam Puts Food Before Industry," *FEER*, May 5, 1978, p. 56.

to concentrate the population into 15,000-20,000 points of population from the current 160,000 locations, while industrial centers are to double in population to 20 million by the year 2000. Before 1980, it is hoped to move four million people (out of an estimated 10 million) now resident in the Red River Delta or in urban areas to new economic zones in the Central Highlands and in the Mekong Delta.

The second aspect of the five year plan which deserves attention is the method of funding. According to one estimate, the total cost of the plan is in the region of \$7.5 billion. Obviously, at the time the plan was announced, party officials expected to receive massive amounts of foreign assistance.

Instead, after liberation, both China and the Soviet Union virtually ended their non-refundable aid programs and replaced them with interest-bearing loans. The Soviet Union appeared the more generous, agreeing to supply Vietnam with \$2.5 billion in aid over the period 1976-1980. China, on the other hand, preferred to arrange loan agreements in the region of \$300 million on an annual basis.¹⁵ As a result of tensions over the status of overseas Chinese resident in Vietnam, in the first half of 1978, China halved, then cut, her entire aid program. Some 72 out of 80 Chinese-assisted projects were affected. As a result, the SRV agreed to join COMECON** and various East European countries offered to provide funds for ten of the more important abandoned projects.¹⁶

The prospects for Western aid are dim. Whatever hopes Hanoi entertained of receiving American assistance were dashed when the United States State Department repudiated former President Richard Nixon's aid offer of \$3.25 billion and when the United States Congress specifically forbade American aid to Vietnam. Elsewhere, the SRV has achieved a measure of success in obtaining development aid: from Japan (\$78.7 million over the period 1978-1981 with soft loans of \$49 million slated for 1979 and 1980), from France (\$200 million), from Sweden (\$181 million), from Norway (\$58 million) and from Australia (\$12 million), in addition to assistance from several international agencies like the International Monetary Fund, which lent \$28 million in July, 1978.

In summary, the SRV has had to tailor its economic suit to the cloth available. Domestically, Vietnam has faced problems in absorbing the aid already made available. Her ports lack the facilities to unload visiting ships quickly. The communications infrastructure is not sufficient to transport off-loaded materials to the sites where they are urgently needed.¹⁷ Finally, Vietnam is short of trained manpower and construction supplies and equipment.

Vietnam's economic managers cannot be overly optimistic about the prospects for foreign trade which is not expected to balance until after 1985. At present, trade is running at an annual deficit estimated at \$650

million; and supplies of convertible foreign exchange are low. Nevertheless, the Vietnamese have greatly expanded their commercial contacts beyond traditional bloc trading partners to embrace a number of non-Communist nations like Japan, Singapore, Hong Kong, Italy, Denmark, West Germany, France, Norway and the Netherlands. Reasonable terms have been offered to those willing to invest in Vietnam.¹⁸ In the long run, the discovery and exploitation of commercially useful offshore oil would augur well also.

One of the key factors affecting the Vietnamese economy is the variable production of rice and other grains. As a result of bad weather, Vietnam had an estimated shortfall of one million tons of grain in 1977.¹⁹ This unfortunate circumstance has caused much reevaluation of state development plans. The 1978 state plan, for example, reflects a stepping back from earlier optimism.²⁰

One of the most dramatic events affecting the economy, with international repercussions, was the decision taken by the VCP leadership to abolish "bourgeois trade" throughout the country, especially in southern Vietnam. This move was followed by the introduction of a national currency system. In late March, 1978, over 30,000 private businesses in southern Vietnam were closed as a result of administrative and police action. Only merchants who sold goods not under state control were allowed to continue.

The manner in which this socialist reform was conducted (compensation at cost plus 10 percent on presentation of purchase receipts) meant that many businessmen who had been involved in illegal trading were ruined. The introduction of a national currency shortly thereafter drastically cut back the funds available to those who had amassed small fortunes through hoarding and speculation. These actions were undoubtedly influenced by an 80 percent inflation rate in the south. A similar but much less publicized operation was carried out in the north.²¹

¹⁸"Regulations on Foreign Investment in the Socialist Republic of Viet Nam," *Vietnam Courier*, no. 62, July, 1977, pp. 6-8 and 28; and "Vietnam's Investment Code," *Asian Wall Street Journal*, reprinted in *The Mirror* (Singapore), July 11, 1977, p. 6.

¹⁹In 1977 Vietnam imported an estimated 1.6-million tons. The 1978 tenth month crop was reportedly stricken by an attack of brown leafhoppers. Chanda, "Vietnam Puts Food Before Industry," p. 59.

²⁰Imports were cut and investment in agriculture increased by 65 percent over that used in 1977.

²¹Bonavia, "Sailing Close to Breaking Point," p. 10 and Chanda, "Peking Says It Out Loud to Hanoi," *FEER*, May 12, 1978, p. 9.

²²Chanda, "Vietnam Puts Its Case to the Test," *FEER*, June 16, 1978, p. 20; and Chanda, "A Question of Priorities," p. 13.

²³For an overview of Vietnam's foreign policy see: Carlyle A. Thayer, "Viet Nam's External Relations," *Pacific Community*, vol. 9, no. 2 (January, 1978), pp. 212-231.

What seemed to be a purely internal affair rapidly escalated into an international incident between Vietnam and China. At the heart of the matter was the fact that a high percentage of southern businessmen were Sino-Vietnamese. Their financial ruin and impending deportation to new economic zones led the Chinese government to claim that overseas Chinese were being persecuted.

By mid-1978, several issues had been intertwined as tensions rose over China's backing of Kampuchea in her border war with Vietnam. Sino-Vietnamese tensions became further inflamed as massive numbers of Sino-Vietnamese in the north began to stream into China, claiming repression at the hands of Vietnamese security personnel. Vietnam in turn accused China of instigating the exodus; yet the numbers involved were large enough to suggest some discriminatory action by the Vietnamese. The departure of 160,000 Sino-Vietnamese from the north has had economic ramifications; unlike their southern compatriots, these Chinese were engaged in a wide variety of occupations and skilled trades.²²

It has always been a truism to observe that a cornerstone of Vietnamese foreign policy was the preservation of a balance between competing pressures from Moscow and Peking.²³ In late 1978 this policy was in tatters, as the SRV found itself in serious conflict with China.

Vietnam, for the moment, appears to be locked in the Soviet camp by ties of economic dependency, diplomatic expediency and military necessity. Soviet-Vietnamese ties were cemented in October, 1975, when Le Duan made a trip to Moscow, where he agreed to coordinate five year plans. At that time he also committed Vietnam to a foreign policy declaration that paralleled the Soviet view of world affairs.

Since then, the Soviet Union has become Vietnam's major ally in all spheres—political, economic and military. A variety of delegations representing all levels of the state and party bureaucracies are regularly exchanged. Hundreds of Soviet aid personnel and technicians are in Vietnam. Soviet military aid is vital. Vietnamese acceptance of full membership in COMECON is unlikely to be reversed.

Despite Soviet dominance, Vietnam is not yet a satellite of the Soviet Union. Paradoxically, a second major feature of Vietnam's foreign policy is her commitment to the unity and diversity of the socialist camp. Over the years, Vietnam has built up close ties with all the East European countries. In light of the deterioration of relations with Peking, these ties will become increasingly important. However, members of COMECON do not have the resources to replace the amount cancelled by the Chinese.

Vietnam's frontier war with Kampuchea and the attendant tensions along the Sino-Vietnamese border represent another serious setback to Vietnam's de-

velopment plans. As long as fighting continues, the SRV will have to divert manpower, money and other resources from economic projects. The massive influx of refugees into Vietnam, both *Viet-kieu* (former Vietnamese residents in Cambodia) and Khmer, has caused serious problems for the authorities, so much so that they have been forced to seek international aid to meet the challenge.²⁴

The military balance apparently favors Vietnam over Kampuchea, but Vietnam has so far refrained from marching into Phnom Penh and overthrowing the Pol Pot regime. Vietnamese policy seems to be directed at keeping the Khmer forces off balance so that they cannot launch major incursions into Vietnamese territory. Obviously, Kampuchean assistance to anti-Vietnam resistance groups and armed Khmer guerrilla bands pose a challenge that is not easily overcome. Vietnam herself has dabbled in covert war, aiding an anti-Phnom Penh resistance movement headed by So Phim and helping establish "liberated areas" inside Cambodia's eastern borders.

Vietnamese military forces, numbering 25,000-30,000, are also stationed in Laos, where they provide security in the southern provinces. Their presence was legitimized in mid-1977, when Laos and Vietnam signed (among other documents) a 25-year Treaty of Peace and Friendship. After remaining neutral, Laos has come out in support of the Vietnamese in the border dispute with Kampuchea.

Vietnam's major hope for additional sources of outside aid rest with the United States. Talks between the two countries have made little progress and took a turn for the worse when the Vietnamese ambassador to the United Nations was expelled by United States authorities for complicity in espionage activities. On the one hand, the United States has demanded a full accounting of Americans missing in action (MIA's) and normalization of diplomatic relations in advance of trade or aid. On the other hand, until recently, the Vietnamese, have demanded reparations (later termed "reconstruction aid") before exchanging diplomatic ties. In July, 1978, Vietnam began to publicize the fact that she was dropping all pre-conditions to the normalization process. Various gestures of goodwill accompanied these soundings. American-Vietnamese talks in Paris, broken off in 1977, resumed in September, 1978.

Yet despite the Vietnamese initiatives (motivated in part because of increased tension between Vietnam and China), massive United States aid seems unlikely. The United States Congress will continue its hostility to the Hanoi regime. And anti-Communist Vietnam-

ese refugees in the United States will fuel this attitude by publicizing accounts of human rights violations against Vietnamese political prisoners.

When the normalization process occurs, private American investment will accelerate and humanitarian organizations will increase the flow of relief supplies. But except for the oil industry, it is doubtful that American investment will challenge Soviet or even Japanese economic supremacy.

Thus the prospects for United States development assistance in sufficient quantity either to offset the lost Chinese aid or to counterbalance the Soviet Union's already massive involvement appear remote. There is also a limit to the amount of aid that Vietnam can attract from international agencies or other developed countries. The current border conflict with Cambodia and the potential of armed conflict with China do little to encourage the investment climate.

Vietnam must adjust to the fact that as each year passes the world's memory of the Vietnam conflict will fade. Moves by Americans to aid the country ravaged by their military forces will be offset by the voices of anti-Communist Vietnamese refugees in America and U.S. congressmen who are disillusioned by aid programs in general. The question of Vietnam's human rights violations will be ever present as a growing number of boat people bring tales of repression and of life in political reeducation camps.

The current socialist leaders of Vietnam face unique and complex questions related to a development strategy that stresses the role of technology transfers from the advanced capitalist countries and that emphasizes the role that multinational corporations can play in export-oriented industries (textiles in particular). What will be the impact of these external inputs on domestic social cohesion? How can Vietnam prevent trade imbalances and foreign investment patterns from dislocating her priorities aimed at egalitarian development? Finally, what will be the political price of economic dependency on the Soviet Union?

The answers to these questions are not readily apparent. It would be a mistake to underplay the unique Vietnamese features of socialist construction, which blend pragmatism with the ideology of socialism and fierce nationalism. As the world's sixteenth and the socialist bloc's third most populous country, Vietnam has the potential to become a strong regional actor. At present she faces three major obstacles; she must end the border war with Kampuchea, normalize relations with China and the United States, and, finally, solve the "grain problem." ■

²⁴Michael Richardson, "A Helping Hand for Vietnam," *FEER*, June 23, 1978, p. 20; included in this number are 132,000 Cambodians, 18,000 Sino-Khmars and 170,000 *Viet-kieu*.

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THE SINO-VIETNAMESE CONFLICT

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puchea's belligerence, believing that Peking was trying to prevent Vietnam's economic development. In fact, Chinese support for Kampuchea against Vietnam, which had not yet been openly expressed, was increasingly evident in January, 1978, as China stepped up her shipments of military equipment to Kampuchea and sent Chou En-lai's widow and central committee member Teng Ying-chao to Phnom Penh to demonstrate her support.²⁸ As many as 10,000 Chinese military personnel were estimated by United States intelligence to be in Kampuchea, one-third attached to the Kampuchean army.

Hanoi did not dare use military force to threaten the Pol Pot government. Instead, in a second drive in Kampuchea that began in June, 1978, the Vietnamese concentrated on destroying the Kampuchean army, at the same time building up a force of Cambodians who had fled to Vietnam or who volunteered when Vietnamese forces drove Kampuchean troops from their districts. As the new drive began, Vietnam also launched a campaign to condemn Kampuchean authorities for "genocide" against their own people and broadcast an appeal to Cambodians from a defector to "topple the Pol Pot-Ieng Sary clique."

The war between Vietnam and Kampuchea inevitably colored all aspects of Sino-Vietnamese relations. A major problem between the two states was Vietnam's treatment of her approximately 1.1 million ethnic Chinese. As tension between China and Vietnam increased in 1975, Hanoi began to worry about the loyalty of these Chinese as well as the ethnically related Nung minority living in the region of the Chinese border. When Hanoi moved to tighten its control over these people early in 1977, China protested. And China was angered because Hanoi simply accepted the Saigon regime's forcible naturalization of

²⁸Chanda, "Peking Escalates the War of Nerves," *Far Eastern Economic Review*, March 17, 1978, p. 10; for Teng Ying-chao's speech in Phnom Penh, see Phnom Penh Radio, January 18, 1978.

²⁹The timing of the move against Chinese merchants coincided with the high tide of anti-Chinese feeling. Chanda, "Comrades Curb the Capitalists," *Far Eastern Economic Review*, April 14, 1978, p. 12.

³⁰Chanda, "Exit the Wolf," *Far Eastern Economic Review*, May 19, 1978.

³¹Quoted by Chanda, "Danger of the War by Accident," *Far Eastern Economic Review*, July 14, 1978.

³²Hsu-Hsiang-chen, "Heighten Vigilance, Be Ready to Fight," *Red Flag*, no. 8, 1978; "Why Vietnamese Authorities Provoked Viet-Nam-Kampuchea Border Conflict," *Peking Review*, July 21, 1978, p. 8.

³³The *Japan Times*, June 1, 1978. The Cam Ranh Bay rumor first surfaced almost exactly three years earlier. See "Why China Leaked Rumors of Soviet Bases in Vietnam," *Christian Science Monitor*, May 30, 1975.

Chinese as a *fait accompli*, instead of consulting with China after the liberation of South Vietnam, as called for in a 1955 agreement between them.

But it was the Vietnamese decision to confiscate the stocks of Chinese merchants in Cholon in March, 1978, in the midst of rising Vietnamese resentment against China for her role in Kampuchea that triggered the Chinese decision to make a major public issue of Vietnamese policies.²⁹ Many Chinese in the south began to flee from the country, and rumors were soon spreading through the Chinese community in both North, and South Vietnam that the Chinese would be the target of Vietnamese reprisals because of Chinese support for Kampuchea. The Vietnamese later charged that the Chinese embassy was involved in spreading those rumors in April. As the Chinese exodus swelled to nearly 200,000, Peking published its first major attack on Vietnam for "ostracizing, persecuting and expelling Chinese residents," and unilaterally announced that China was sending ships to Vietnam to pick up "victimized Chinese residents." In the next three weeks, China systematically reduced her ties with Vietnam to a minimum, withdrew Chinese aid projects from Vietnam, closed Vietnamese consulates in China and finally closed the border points where Vietnam had been allowing Chinese who had requested permission to emigrate to cross into China.

In response to China's policy in Kampuchea, also, Vietnam began early in 1978 to celebrate the anniversaries of the victories against Chinese invaders by Tran Hung Dao in the thirteenth century and Le Loi in the fifteenth century.³⁰ Hanoi Radio is warning other Southeast Asian nations of the danger that China will attempt to use overseas Chinese as a means of interfering in their internal affairs. "Today China wants to press Vietnam to toe its line and tomorrow it will also put pressure on other countries," said one commentary.³¹

In response, China publicly accused Vietnam of pursuing "regional hegemonism" and serving as the "Cuba of the East," and "junior partner" in a Soviet plot to gain control of Southeast Asia.³² The primary aim of Soviet strategy in the region, according to the Chinese, is to obtain a naval base in Vietnam. In May, a pro-Peking newspaper in Hong Kong published the story—without any source—that Vietnam had already given the Soviet Union the use of her huge naval base at Cam Ranh Bay as well as Haiphong Harbor.³³ Using its own sophisticated means of checking the allegation, the United States found it to be untrue, according to authoritative United States sources. China has, in fact, refrained from making the charge in the Chinese press, and the Chinese have privately referred to a Soviet base at Cam Ranh as a future prospect rather than a present reality.

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THAILAND

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Thai government leaders after the American defeat in Vietnam in 1975 have gradually given way to a cautious optimism based on the retention of a sizable American role in the security and development of Southeast Asia. More than any other country, the United States has relieved Thailand of some of the burden of supporting thousands of Indochinese refugees, and in April, 1978, the United States agreed to accept another 25,000 refugees from the overcrowded camps in Thailand's northeastern provinces. American-Thai cooperation was also strengthened by some improvement in the suppression of narcotics trafficking by the Thai police. Perhaps most important have been the explicit American official promises of a strong United States commitment to non-Communist nations in the region. Relations between the two countries were further improved when Vice President Walter Mondale and a large official delegation paid a highly successful visit in May, 1978. During his stay in Thailand, Mondale announced new sales of American military equipment to the Thai armed forces, and he reaffirmed the United States commitment to Thai national security under the Manila Pact.¹³

Thai official relations with other major powers have also shown some improvement. Thai policy toward the Soviet Union has continued to be cool and correct. Both governments agreed to the exchange of military attachés and signed a cultural exchange pact. Japanese trade and investment in Thailand have expanded, and the Japanese have promised increasing assistance for Thai economic development. Thailand has also been the recipient of Japanese economic aid through a joint program between Japan and the five ASEAN members seeking "to promote peace and prosperity in Southeast Asia."¹⁴

Very important are the more cordial relations with China indicated by the visit of General Kriangsak to China in March, 1978, and Peking's unprecedented invitation to the Thai royal family for an official visit. Thai-Chinese relations have been strengthened by the retention of a significant United States presence in Southeast Asia, which has aided in deterring serious Soviet encroachments. The only strain in Thai policy with the Chinese has been the strong Chinese support of the Communist regime in Cambodia.

The third goal of Thai foreign policy has been to forge closer relations with other non-Communist nations in the region through an active participation in the Association of Southeast Asian Nations (ASEAN).

¹²"News From Home," April 1-May 10, 1978.

¹³Ibid., June, 1978.

¹⁴Bangkok Post, January 21, 1978.

The Thai government has vigorously defended this organization's aim to make the region "a zone of peace, freedom and neutrality." A significant step in this direction was achieved during 1978 when the Communist government in Vietnam for the first time recognized the stabilizing role of the ASEAN nations.¹⁵ In February, General Kriangsak successfully visited the other ASEAN countries and negotiated new agreements for the expansion of security, financial, communication, economic, and cultural relations. The Thai Prime Minister also won the support of the other ASEAN governments in his efforts to establish better relations with the three Communist regimes in Indochina. In June, Thailand hosted a conference of the foreign ministers of the ASEAN nations, which concentrated on the danger of a revival of major power conflict in the region because of the outbreak of military violence between Cambodia and Vietnam. One of the notable achievements of the ASEAN organization was the high-level diplomatic conference in Washington, D.C., between the five member nations and the United States government, a channel that may broaden American influence in Southeast Asia and show increased American concern for the future security and progress of the region. ■

CAMBODIA

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border"; and (c) international guarantees and supervision of the agreement.²⁰ Hanoi spokesmen argued that Vietnam's proposal should put Cambodian fears of subversion and aggression to rest, because it would guarantee Kampuchea's territorial integrity.²¹

Cambodia called the proposal "deceitful," citing the alleged confession of captured Vietnamese spies, who described the Hanoi document as a ploy to win international sympathy and to cause Cambodia to lower her guard. Then, in May, perhaps to demonstrate some degree of "reasonableness," Cambodia presented a counter-offer. Phnom Penh declared it would agree to talks in seven months if Vietnam stopped all hostile acts during that period. Hanoi dismissed the counteroffer as, in effect, a rejection of negotiations.²²

Despite China's own difficulties with Vietnam, there are signs that Peking may still be encouraging Cambodia to agree to meet with the Vietnamese. A Chinese Foreign Ministry statement, dealing primarily with "the expulsion of Chinese residents by Viet-

²⁰SRV government statement carried by the Vietnam News Agency (VNA), February 5, 1978.

²¹Nhan Dan editorial, February 6, 1978; and an interview with the Vietnamese ambassador to France, *Le Monde*, February 9, 1978.

²²The proposal was reported by AFP (Hong Kong), June 2, 1978. Hanoi's rejection was publicized in a *Nhan Dan* commentator's column, June 5, 1978.

nam," noted: "The Chinese government has always stood for the settlement of differences and disputes between states through consultation and negotiations."²³ Soon afterward, Ieng Sary omitted any reference to a time limit prior to negotiations.²⁴ Still, there has been no indication that Vietnam plans to alter her behavior.

Vietnam is left in a dilemma. Protracted warfare would not serve her interests because continuing war diverts precious resources from economic development, further diminishes the morale of a war-weary population, and risks alienating international opinion and slowing external assistance. A major escalation of the war seems equally unpalatable because it would exacerbate all the disadvantages mentioned above and would probably even stiffen Cambodian support for what most Cambodians must consider to be a thoroughly detestable government. Unilateral withdrawal could lead to severe political repercussions within Vietnam's Politburo and would imply an abandonment of Vietnam's hegemonic aims in Indochina.

Nevertheless, Vietnam's prospects for establishing a client regime in Cambodia are dim. In addition to the difficulty of creating such a state without military conquest, a client state could only succeed if a national infrastructure existed. There is no such infrastructure in Cambodia today. Instead, the incumbent government appears to operate through commune-like villages. To administer such an arrangement, the Vietnamese would have to send units into every village. This would be military occupation, not a client government.

In sum, none of Vietnam's options are attractive, particularly since her relations with China have deteriorated so rapidly, presenting Hanoi with the grim prospect of a two-front war. Moreover, Cambodia's Pol Pot regime is unwilling even to consider negotiations until Vietnamese forces have completely withdrawn from Cambodian territory. Because actual location of the border in many places remains a matter of disagreement, withdrawal is complicated by the question of what territory each side should withdraw from. These locations cannot be determined without negotiation. Hence the diplomatic impasse.

As long as the Cambodian government believes that Vietnam is bent on its overthrow and the annexation of Cambodian territory, a negotiated settlement to the war seems out of the question. However, the political costs to Vietnam for altering her current protracted warfare policy are also high. Stalemate appears the most probable forecast unless the Russians are willing to underwrite all Vietnam's development needs—rendering an escalatory shift in the war more attractive. Moscow has given no indications of such gener-

osity, however, despite Hanoi's July, 1978, decision to join the Soviet bloc's Council of Mutual Economic Assistance (COMECON). ■

DEPENDENCY IN LAOS

(Continued from page 207)

1977, the LPDR ordered the United States embassy in Vientiane (the only United States embassy in Indochina), which was then composed of 27 persons headed by a chargé d'affaires, to cut back to 12 officials. At about this same time, the incoming administration of United States President Jimmy Carter made it clear that it was interested in normalizing relations with Vietnam; a 5-member presidential commission chaired by labor leader Leonard Woodcock was appointed to visit Indochina to discuss the accounting for Americans missing in action (MIA's). The commission was received in Laos on March 19-20, 1977, but (unlike the stop in Hanoi) this visit provided no new information on MIA's. The Lao emphasized the difficulty of finding MIA bodies in their rugged mountains and made it clear that they saw a link between any increased Lao effort to locate MIA's and the provision of United States economic assistance. The commission concluded that the Lao are less able than the Vietnamese to develop additional MIA information, although "they could produce some . . . and could gather more if they desire." The commission accepted the Lao statement that no Americans were alive in Laos. A United States congressional delegation, pursuing information about MIA's, visited Hanoi and Vientiane in August, 1978, and were presented with the remains of eleven U.S. airmen by Vietnam and of four by Laos. This was interpreted as a desire on the part of Vietnam and Laos to improve relations with the United States.

Other signs portended modest improvement in United States-Lao relations in mid-1978. The United States State Department announced that it intended to supply Laos with 10,000 tons of rice valued at about \$5 million, under Public Law 480.

Like Vietnam, Laos has maintained that the United States should fulfill Article 20 of the Paris Agreement to help "heal the wounds of war," which she interprets to mean the provision of United States economic assistance without strings. By the summer of 1978, in view of her clash with China and Cambodia, Vietnam appeared eager to normalize relations with the United States, and Vietnamese spokesmen dropped their insistence that the United States provide reconstruction assistance as a condition for the provision of additional MIA information and steps toward normal relations—a demand that the United States had refused. If, as seemed likely, Vietnam-United States relations improved, Lao-United States relations would also improve. ■

²³PRC Foreign Ministry statement, NCNA, June 9, 1978.

²⁴Ieng Sary's press conference in Tokyo carried by NCNA, June 13, 1978.

INDONESIA

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to help defend Southeast Asia against Communist aggression and expressed support for "peace, stability and national independence" in the region.²⁰

Mondale's statement seemed to represent a fairly strong American endorsement of the ASEAN goal of a zone of peace and neutrality in Southeast Asia—an objective that even Communist Vietnam has apparently recently supported. In 1978, Indonesia and her four ASEAN partners (the Philippines, Thailand, Malaysia and Singapore) continued their joint efforts to negotiate favorable economic policies on the part of the major powers, including the United States. As a group they visited Washington, D.C., in 1978.

Indonesia's most immediate trouble in foreign affairs concerns her border difficulties with neighboring Papua New Guinea and her continuing differences with the United Nations over her 1976 absorption of formerly Portuguese-ruled East Timor. Neither these controversies nor Indonesia's relations with the great powers and with her ASEAN partners are likely to influence her internal political development.

There have been so many surprising developments in Southeast Asia that its leaders should be prepared for almost anything. Even the long Vietnam War, however, did not influence Indonesia's internal political development—or, for that matter, her foreign policy. It is unlikely, accordingly, that the current Sino-Soviet, Vietnamese-Cambodian or Sino-Vietnamese conflicts will have much effect either on Indonesian politics or Indonesia's diplomacy.

Indonesian politics, however, is still likely to undergo significant change by the early 1980's. Soldier rivalries (especially involving junior officers), Muslim discontent, and economic pressures, individually or collectively, may have a major impact on Indonesian government in the years ahead. Such internal political change may have important foreign policy implications and may hasten the pace of Indonesian economic development. It may also lead to more democratic political interaction, but this is less probable. ■

²⁰New York Times, May 6, 1978.

MALAYSIA

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colleagues, primarily Mahathir to Trade and Industry, Musa Hitam to Education, and Datuk Hamzah to the Law portfolio. The July line-up after the polls had political rather than policy overtones.¹¹ Gerakan's secretary-general Paul Leong became a full-fledged minister, as did his counterpart from

¹¹FEER, January 13, 1978, pp. 26-28; August 11, 1978, pp. 13-14; New Straits Times, July 28, 1978, pp. 1 & 24.

SNAP, Leo Moggie. Berjasa's president Mohamed Nasir was moved to the Prime Minister's department.

For the losers came a demotion. MCA's Lee San Choon moved from Labor to Works and Utilities, and MIC's Manickavasagam to the new and less exacting Ministry of Transport. There are now 22 Ministers: 12 from UMNO, 4 from the MCA, and each from the MIC, Gerakan, SNAP, SUPP, PPBB, and Berjasa. No one was invited from Sabah. In ethnic terms, the Cabinet consists of 14 Malays, 6 Chinese, 1 Indian and 1 Dyak. The mix carefully reflects the country's communal balance as well as electoral statistics—with a slight edge for the Malays. A coincidence?

In 1978, Malaysia has taken tremendous economic strides; she is widely respected as a prosperous and industrious nation endowed with natural resources that make her the envy of her neighbors. As a member of the Association of Southeast Asian Nations (ASEAN), Malaysia is establishing linkages of commerce and trade, an environment for peaceful development, and a forum for foreign policy pursuits. Even Communist subversion has been largely contained. This admirable edifice is for external consumption; an observer of the political scene can only conclude that any change is more apparent than real.

The Malays are rightly concerned about a continuing economic imbalance that could eventually threaten their political dominance. Chinese anxieties relate to their ancestral immigrant status and the preservation of their affluence, both of which could be affected by Malay control of political power. Consequently, racial groups prefer to seek strength in communal cohesion. Two methods are available to reduce this ethnic rigidity: assimilation and integration.

As for assimilation, the conversion process is assumed to be largely a Chinese task, particularly since the special position of the Malays has been constitutionally guaranteed. But there are difficulties.

Integration can be achieved if all communities renounce some of their traditions and prejudices in preference to a Malaysian amalgam. It has been tried, by politicians and parties alike, but in vain. In his National Day address this year, Datuk Hussein Onn recognized new values and aspirations among the younger generation, but he stressed the delicate balance of conflicting interests. "The Constitution is a solemn agreement. . . . Any attempt to upset the checks and balances . . . will provoke strong adverse reaction." Consensual integration will not be easy.

So far, Malaysia has demonstrated that a representative democracy is an acceptable concomitant of economic development. The luxury of an internal opposition can still be accommodated so long as it does not seriously challenge the continuity of UMNO rule. The ultimate test of parliamentary democracy is the option for an alternative government. Malaysia has never had this choice. ■

THE SINO-VIETNAMESE CONFLICT

(Continued from page 226)

Contrary to Peking's professed alarm over Soviet plans to dominate the region, however, the Soviet Union is the least capable of the major powers of exerting influence in Southeast Asia.³⁴ Non-Communist Southeast Asia tends to view the Soviet Union as an outsider and gives Soviet views far less weight than the views of China, the United States and Japan. The non-Communist Southeast Asians are all more concerned with China than with the Soviet Union, even if they do not have normal relations with Peking, because of China's links with the large overseas Chinese communities in Thailand, Malaysia, Singapore and Indonesia, her ties with Communist insurgencies in Burma, Thailand, the Philippines and Malaysia, and her support for the policies of Thailand and the Philippines.

Soviet influence on Communist parties in Southeast Asia, in contrast, is virtually nonexistent. The Communist parties of Thailand, Malaysia, the Philippines and Burma are clearly oriented toward China. Historically, the Soviet Union has had no liaison with Communist parties in Thailand, Laos and Cambodia, because of Vietnamese insistence that they can handle relations with these parties without Soviet interference.

But while Soviet and Vietnamese interests coincide in opposing Chinese influence in Southeast Asia, they diverge on other matters of importance to the Soviet Union. Soviet leaders want Vietnam to integrate her economy with the Soviet bloc, and the Vietnamese finally joined the Soviet-oriented economic organization, COMECON,** in June, having been an observer for several years. But Vietnam is determined to establish diplomatic relations with the United States in order to lessen her dependence on the Soviet Union as well as to head off United States-Chinese collaboration against Hanoi. The Vietnamese already have extensive economic relations with France and Japan as well as with the World Bank, despite Soviet opposition to ties with capitalist states and institu-

**The Council on Mutual Economic Assistance.

³⁴On Soviet relations with Southeast Asia, see Geoffrey Jukes, "The Soviets and Southeast Asia," *Southeast Asian Affairs, 1977* (Singapore: Institute of Southeast Asian Studies, 1977), pp. 64-72; Robert C. Horn, "Soviet Influence in Southeast Asia: Opportunities and Obstacles," *Asian Survey*, August, 1975, pp. 656-671.

³⁵See Porter, *op. cit.*, p. 212.

³⁶This paragraph is based on Linda and Murray Hiebert, "Laos Recovers from America's War," *Southeast Asia Chronicle* (Berkeley), no. 61, March/April, 1968, pp. 2-4; Chanda, "Laos Caught in the Crossfire," *Far Eastern Economic Review*, June 16, 1978, pp. 11-12; *Bangkok Post*, July 3, 1977; and conversations with foreign observers recently returned from Vientiane.

tions that reduce Vietnamese reliance on Moscow.³⁵ In the future, Vietnam's economy will probably be increasingly oriented toward capitalist, particularly American, sources of money, technology and spare parts, which will substantially weaken the Soviet relationship with Vietnam. And Vietnam, which never supported the Soviet proposal for an "Asian Collective Security System," can be expected to soften her objections to the United States military presence in Southeast Asia as her relations with the United States improve.

The Sino-Vietnamese conflict is also affecting the other states of Southeast Asia. Laos is in the uncomfortable position of having a "special relationship" with Vietnam (because of the long history of cooperation between the two states), while at the same time she tries to remain neutral in the conflicts among her neighbors.³⁶ Laos has asked for some 25,000 Vietnamese troops to help her maintain security in the face of remnants of the formerly United States-sponsored tribal army and the Royal Laotian Army. The Soviet Union is believed to have the largest aid program in Laos, with about 400 technicians stationed there. Last April, 18,000 Chinese troops and workers completed work on the roads linking Yunnan with Northern Laos, and Vientiane turned down Chinese offers for other work projects in central and southern Laos. But Laos appears determined to avoid taking sides in the regional conflicts.

China and Vietnam are now also vying for influence in non-Communist Southeast Asia. From an early postwar attitude of hostility toward ASEAN, in mid-1976, Vietnamese policy began to shift toward an acceptance of ASEAN as an independent non-military organization. After the deterioration of her relations with China, Vietnam took a major new initiative with regard to her relations with ASEAN, proposing to negotiate an agreement on a "zone of peace and neutrality" similar to the idea adopted by ASEAN itself in 1971.

Should it be achieved, such an agreement would underline Vietnam's contention that Southeast Asian states should resolve their problems without interference from any outside power. The agreement would increase Vietnam's political role in regional politics at China's expense. China is now interested in maintaining a clear line in the region on the basis of opposition to the Soviet Union. China responded to the Vietnamese proposal by accusing Hanoi of playing the "dirty Trojan horse trick," arguing that Vietnam's change of heart toward ASEAN was not genuine. Kampuchea's Ieng Sary called the move another effort to "encircle Kampuchea" and said his government would not join ASEAN or any collective security grouping. Vietnam's proposal promises to be the subject of intensive political maneuvering in the region for some time to come. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of October, 1978, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arab League

(See *Intl., Middle East; Lebanon*)

Arms Control

(See also *U.S.S.R.*)

- Oct. 1—U.S. Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko recess their talks in Washington, D.C., on strategic arms limitation (SALT).
Oct. 23—in Moscow, SALT talks end without agreement on a new strategic arms limitation treaty; negotiations will continue.
Oct. 25—in Vienna, North Atlantic Treaty Organization (NATO) and Warsaw Pact delegates end 5 years of negotiations on troop reductions in Europe without reaching any agreement.

Middle East

(See also *Egypt; Israel; U.S., Foreign Policy*)

- Oct. 2—Egyptian President Anwar Sadat formally invites U.S. President Jimmy Carter to come to Cairo for the signing of an Egyptian-Israeli peace treaty.
Oct. 12—Egyptian and Israeli negotiators begin discussions in Washington, D.C.
Oct. 13—A U.S. State Department spokesman, the authorized spokesman for the U.S., Egyptian and Israeli delegations, says that Egyptian and Israeli negotiators are using a U.S.-proposed draft peace treaty as a "vehicle for negotiations."
Oct. 15—U.S. Assistant Secretary of State Harold Saunders leaves for Jordan to discuss questions about the Camp David accords posed by Jordan's King Hussein October 1 on a CBS program, "Face the Nation."
Oct. 21—Israeli Foreign Minister Moshe Dayan and Defense Minister Ezer Weizman leave Washington, D.C., for Jerusalem for consultation.
The White House announces that U.S. President Carter met with Dayan and Weizman last night and with Egyptian Foreign Minister Boutros Ghali this morning at the White House.
Oct. 22—U.S. State Department spokesman George Sherman says that "the text of a treaty of peace between Israel and Egypt has been referred to both governments for approval."
Oct. 25—Israeli Prime Minister Menahem Begin announces that Israel will strengthen and expand her settlements in occupied territory.
Oct. 26—U.S. Secretary of State Vance terms the Israeli announcement "a very serious matter"; in a letter to Begin, President Carter expresses his concern.
After talks in Baghdad, Syrian President Hafez Assad and Iraqi President Ahmed Hassan Bakr agree to work toward a "full military union" against Israel.
Oct. 27—Egyptian President Anwar Sadat and Israeli Prime Minister Menahem Begin are jointly awarded the 1978 Nobel Peace Prize.
Egyptian Prime Minister Mustapha Khalil says that Egypt will recall Defense Minister Kamal Hassan Ali and Foreign Minister Boutros for consultation.

Oct. 28—President Carter persuades President Sadat not to recall his negotiators.

- Oct. 30—The foreign ministers of 19 Arab League nations open a meeting in Baghdad.
Oct. 31—in Washington, D.C., Egyptian and Israeli negotiators resume talks.

Organization of Petroleum Exporting Countries (OPEC)

Oct. 11—OPEC concludes a 3-day seminar in Vienna, attended by OPEC oil ministers, oil industry executives and experts from 35 nations; OPEC members ask other nations to cooperate in the development of OPEC's own petroleum-refining industries and say they may be forced to tie the supply of crude oil to the quantity of finished products OPEC is able to sell to the industrial countries.

United Nations

(See also *Namibia*)

- Oct. 6—As the first step in a \$500,000 campaign to improve the public image of the Palestine Liberation Organization (PLO), the U.N.'s Special Unit on Palestinian Rights issues a newsletter.
Oct. 26—The U.N. command accuses North Korea of digging a tunnel under the demilitarized zone about one mile from the Panmunjom camp where armistice commission talks are being held; North Korea denies the charge.

ANGOLA

Oct. 17—President Agostinho Neto says that by the middle of November the Benguela Railroad, used by Zaire and Zambia for exporting copper, will be reopened. The line has been closed since 1975.

ARGENTINA

Oct. 27—Foreign Minister Vice Admiral Oscar Montes resigns; he is replaced by Defense Minister José María Klix.

BELGIUM

- Oct. 12—King Baudouin accepts the resignation of Prime Minister Leo Tindemans and his 4-party coalition government; the government failed to win support for a regionalization program.
Oct. 20—Social Christian Paul Vanden Boeynants agrees to form a new government; he served as Prime Minister from 1966 to 1968.

BRAZIL

Oct. 15—By a vote of 355-226, the electoral college elects government-candidate General Joao Baptista Figueiredo President. He will succeed President Ernesto Geisel on March 15.

CAMBODIA

Oct. 12—at the U.N., Foreign Minister Ieng Sary officially invites U.N. Secretary General Kurt Waldheim to visit Cambodia to see for himself whether, as critics charge, human rights are being violated.

Oct. 22—Reports from Hong Kong indicate that fighting along the Vietnam-Cambodia border is intensifying.

Oct. 26—At the conclusion of a ten-day visit to the Philippines, Indonesia and Japan, Sary returns to Phnom Penh. He signed an economic and cultural treaty with the Philippines, and arranged an ambassadorial exchange with Indonesia.

CHINA

Oct. 3—Hsinhua, the government press agency, reports that Tseng Shao-shan, the leader of Liaoning province, has been replaced by Jen Chung-yi.

Oct. 11—It is reported that Mayor of Peking Wu Teh has been replaced by Lin Hu-chia.

Oct. 16—It is reported that Chan Hsi-lien, military commander of Peking, has been dismissed.

Oct. 20—in Paris, it is announced that China has agreed to purchase from France \$700-million worth of antiaircraft and antitank missiles.

Oct. 23—Vice Premier Teng Hsiao-ping, on an 8-day visit to Tokyo, formally exchanges the documents of the Chinese-Japanese peace treaty signed August 12, with Japanese Prime Minister Takeo Fukuda.

Oct. 24—in Peking, Petroleum Minister Sung Chen-ming confers with U.S. Secretary of Energy James Schlesinger.

EGYPT

(See also *Intl., Middle East*)

Oct. 2—President Anwar Sadat accepts the resignation of Prime Minister Mandouh Salem; Mustapha Khalil is named to replace Salem.

Oct. 3—President Anwar Sadat removes General Mohammed Abdelghani Gamassi from his post as Minister of War and Commander in Chief of the armed forces and Lieutenant General Mohammed Ali Fahmi from his post as Chief of Staff of the armed forces.

Oct. 5—President Sadat presides over the first Cabinet meeting of the new government formed by Prime Minister Mustapha Khalil.

Lieutenant General Kamal Hassan Ali is named to head the Ministry of Defense and Military Production, formerly the Ministry of War.

Oct. 26—*Al Ahram* reports that security forces have quashed a Communist plot to overthrow the government of President Anwar Sadat; 16 alleged conspirators have been arrested.

FRANCE

(See *China*)

GERMANY, WEST

Oct. 10—Chancellor Helmut Schmidt arrives in Tokyo for talks on economic issues with Japanese Prime Minister Takeo Fukuda.

GUATEMALA

Oct. 10—in Guatemala City, striking government workers are fired on by police as police try to evict them from government buildings. The workers are protesting a recent increase in the transit fare.

INDIA

Oct. 7—Defense Minister Jagjivan Ram announces plans to purchase 40 Jaguars (Anglo-French deep penetration strike aircraft) from Great Britain for \$1.6 billion.

IRAN

Oct. 2—Minister of State Manouchehr Azmun declares a

political amnesty for Shiite Muslim leader Ayatollah Khomeini and his supporters, who have been in exile.

Oct. 9—In major cities, antigovernment demonstrations continue; civil employees are demanding pay increases.

Oct. 10—Official charges are filed against General Nematollah Nassiri, former head of Savak, the state security and intelligence branch, for ordering torture and illegal imprisonment.

Oct. 23—in an effort to cut back on government spending in order to grant wage increases, the government announces plans to abandon its goal of having 20 large nuclear power plants in operation by 1994.

Oct. 25—it is reported by the press that the government has cancelled contracts to purchase arms totaling \$7 billion over the next five years. The action is taken in response to recent demonstrations by antigovernment forces.

Oct. 26—Nearly 1,500 political prisoners are released as part of an amnesty declared by the government.

Oct. 30—Because of the continuing civil demonstrations and the government's inability to control them, Justice Minister Mohammad Baher and Minister of State for Executive Affairs Manouchehr Azmun resign; Hossein Najafi is named to the Justice post and Mostafa Paidar to the State position.

Oct. 31—37,000 oil refinery workers strike, reducing Iran's oil exports by 40 percent; the workers are demanding higher pay and the repeal of martial law.

U.S. President Jimmy Carter meets with Iranian Crown Prince Riza in Washington, D.C., and issues a statement of support for Iranian Shah Mohammed Riza Pahlevi.

IRAQ

(See *Intl., Middle East; Syria*)

ISRAEL

(See also *Intl., Middle East; Lebanon*)

Oct. 1—the military reports that on September 30 an Israeli gunboat sank a Palestine Liberation Organization (PLO) guerrilla boat in the Gulf of Aqaba. The PLO boat was apparently planning to fire rockets on the Israeli town of Eilat.

Oct. 5—the Israeli navy fires about 100 rounds of missiles against a Syrian-controlled section of West Beirut in what a navy spokesman terms a preemptive strike against Palestinian terrorists.

Oct. 8—the Cabinet names Foreign Minister Moshe Dayan and Defense Minister Ezer Weizman to head the Israeli delegation to the peace talks in Washington, D.C., beginning October 12.

Oct. 25—Prime Minister Menahem Begin says that the government will increase the size of existing settlements on the Golan Heights and on the West Bank of the Jordan River.

Oct. 26—the Cabinet "approves in principle" the draft of the treaty with Egypt; however, amendments are made. The Cabinet votes to submit the final draft to the Knesset.

ITALY

Oct. 10—Rome magistrate Girolamo Tartaglione is shot and killed by Red Brigade terrorists.

JAPAN

(See *China; West Germany*)

JORDAN

(See *Intl., Middle East*)

KENYA

Oct. 14—Daniel Arap Moi is sworn in as President; he succeeds Jomo Kenyatta and is the country's 2d President since it became independent 15 years ago.

KOREA, NORTH

(See *Intl., U.N.*)

LEBANON

Oct. 1—in Beirut, the Arab League-sponsored Syrian peacekeeping forces shell Christian residential areas; 70 people are reported killed and 300 injured.

Oct. 2—President Elias Sarkis announces that he will dissolve the present government and appoint a new administration.

Oct. 3—Heavy Syrian shelling of Christian areas continues.

Oct. 5—Israeli gunboats fire on a Syrian-controlled sector of Beirut.

Oct. 6—in the U.N., the Security Council holds an emergency session and approves a cease-fire resolution for Beirut.

Oct. 7—A cease-fire goes into effect in Beirut.

Oct. 8—President Sarkis meets in Damascus with Syrian President Hafez Assad to discuss Sarkis's plan to replace Syrian peacekeeping units with soldiers from the Lebanese army.

Oct. 11—Lebanese army troops take up positions in Hadath, a Christian suburb of Beirut.

Oct. 15—in Beirut, foreign ministers from Qatar, the Sudan, Saudi Arabia, the United Arab Emirates, Syria, and Kuwait meet with Sarkis in an attempt to stop the fighting between the Christian militia and Syrian peacekeeping forces.

Oct. 17—an 8-point communiqué is issued at the close of the Arab foreign ministers meeting.

Oct. 21—in Christian East Beirut, Syrian peacekeeping troops are replaced by Saudi soldiers.

Oct. 26—the Arab League extends its mandate for peace-keeping troops in Lebanon for another 6 months.

NAMIBIA

Oct. 16—in Pretoria, U.S. Secretary of State Cyrus Vance, the foreign ministers of West Germany, Canada and Great Britain, and the deputy foreign minister of France meet with South African Prime Minister Pieter W. Botha to discuss the U.N.-independence plan for Namibia.

Oct. 17—After two days of talks, the meeting in Pretoria ends; U.N. and British spokesmen say the talks have reached a "difficult stage."

Oct. 19—in a joint communiqué, Vance and Botha ask the U.N. to postpone its economic sanctions debate against South Africa and to send a representative to Windhoek to begin a new round of talks with South Africa on the U.N.-supervised elections. South Africa still plans to hold her own "internal" elections in Namibia in December.

Oct. 24—SWAPO (South-West African People's Organization) leaders reject the U.N.-South African proposal for new talks in Windhoek.

Oct. 26—in the U.N., black African nations ask the Security Council to impose economic sanctions against South Africa for refusing to allow U.N.-supervised elections in Namibia.

NICARAGUA

Oct. 9—President Anastasio Somoza lifts the press censorship imposed 25 days ago.

The U.S., Guatemala and the Dominican Republic begin to work out an agreement between the government and the Broad Opposition Front, an anti-government group formed during the civil war last month.

Oct. 25—the Broad Opposition Front presents a proposal to President Somoza calling for his immediate resignation.

PANAMA

Oct. 11—the newly elected members of the National Assembly elect Aristides Royo as President; General Omar Torrijos will continue to control the National Guard. Royo is the first President chosen under the new constitution.

PORUGAL

Oct. 25—President Antonio Ramalho Eanes asks former Social Democratic leader Carlos de Mota Pinto to form a new government.

RHODESIA

Oct. 2—the interim biracial government bans the country's only black daily newspaper, the *Zimbabwe Times*, in "the interests of public safety and security."

Oct. 4—the U.S. State Department grants Prime Minister Ian Smith a visa to visit the U.S.

Oct. 7—in Boston, Virginia, Smith and members of the biracial government meet with members of conservative U.S. political groups to try to win support for the transitional government.

Oct. 8—it is reported in Maputo that the U.S. and Great Britain have submitted a new version of the Anglo-American peace plan for Rhodesia, dropping their insistence that elections be held immediately and that the terms of independence be approved at the all-parties conference.

Oct. 10—the biracial government abolishes all race discrimination laws.

U.S. President Jimmy Carter refuses to meet with Prime Minister Ian Smith.

Oct. 12—in Maputo, Zimbabwe African National Union leaders reject any further involvement by the U.S. in settling the Rhodesian dispute because "by admitting Smith and his gang [the U.S.] exceeded their jurisdiction as mediator."

Oct. 19—the Rhodesian military attacks the "main controlling military headquarters" of the Zimbabwe African People's Union headed by Joshua Nkomo, 80 miles inside Zambia, 12 miles north of Lusaka, the Zambian capital. Nkomo and the Zambian government claim the Rhodesians attacked a refugee camp and killed 200 refugees.

Oct. 20—in Washington, D.C., in a meeting with U.S. State Department officials, Smith and biracial government members agree to meet with all parties to the Rhodesian conflict; this is the first time Smith has agreed to meet with leaders of the Patriotic Front and the five black African "front-line states."

Oct. 21—the Rhodesian military claims to have killed 1,500 guerrillas in military raids on 12 black nationalist guerrilla camps in Zambia last week.

Black nationalist leader Joshua Nkomo says he will not attend an all-parties conference on Rhodesia.

Oct. 23—in Lusaka, Zambian President Kenneth Kaunda says that the U.S. made a "giant tactical error" in permitting Smith to visit the U.S.; Kaunda will not support the most recent U.S.-British proposal for an all-parties conference on Rhodesia.

- Oct. 29—In Salisbury, Prime Minister Smith acknowledges that the interim government will be unable to meet the December, 1978, deadline for the transition to black majority rule.
- Oct. 31—Prime Minister Smith extends martial law in southern Rhodesia; more than one-half of Rhodesia is now under martial law.

SOMALIA

Oct. 26—Mogadishu radio reports that 16 army officers and 1 civilian have been executed by a firing squad for their part in the attempted April coup.

SOUTH AFRICA

(See also *Namibia*)

Oct. 10—Former South African Prime Minister John Vorster is sworn in as President.

SPAIN

Oct. 31—Parliament passes a law creating a new democratic constitution guaranteeing human rights and making Spain a parliamentary monarchy; the constitution is to be ratified by a national referendum.

SWEDEN

Oct. 5—Center party leader and Premier, Thorbjorn Falldin, resigns; the issue of the increasing use of nuclear power plants divided his coalition government.

Oct. 13—Parliament elects Liberal party leader Ola Ullsten to serve as Premier until the next general election.

SYRIA

(See also *Intl. Middle East; Lebanon*)

Oct. 24—In Baghdad, Iraq, for the first time in 5 years President Hafez Assad visits with Iraqi President Ahmed Hassan Bakr; they discuss the Israeli-Egyptian peace accords.

TANZANIA

(See also *Uganda*)

Oct. 31—The Tanzanian government reports that Ugandan troops, tanks and artillery have advanced 20 miles inside Tanzania.

TURKEY

Oct. 3—The National Security Council votes to permit 4 U.S. intelligence installations in Turkey to reopen; the bases were closed 3 years ago in retaliation for the U.S. arms embargo, which was lifted September 26.

TUVALU

Oct. 1—Tuvalu, a 9-island Pacific nation 2,000 miles northeast of Australia, becomes independent of Great Britain.

UGANDA

Oct. 29—President Idi Amin threatens to invade the Tanzanian capital of Dar es Salaam if Tanzanian troops are not withdrawn immediately from Uganda. Tanzania denies having any troops in Uganda.

U.S.S.R.

(See also *Intl. Arms Control*)

Oct. 14—In Moscow, *Pravda*, the Communist party newspaper, accuses U.S. Ambassador to the Soviet Union Malcolm Toon of slandering the Soviet Union in a speech in Atlanta, Georgia, when he referred to the racist

nature of the Soviet Union and to Soviet microwave radiation of the U.S. embassy in Moscow.

Oct. 21—In Moscow, U.S. Secretary of State Cyrus R. Vance arrives for talks with Foreign Minister Andrei Gromyko on a strategic arms limitation treaty (SALT). Former President Anastas I. Mikoyan dies at the age of 82.

UNITED KINGDOM

Great Britain

(See also *India; Namibia; Rhodesia*)

Oct. 25—Foreign Secretary David Owen announces that the government will supply Zambia with military equipment, including surface-to-air missiles, radar equipment and antiaircraft guns.

UNITED STATES

Administration

(See also *Economy*)

Oct. 4—In U.S. district court in Baltimore, Maryland, 2 General Services Administration (GSA) supply store managers in the Washington, D.C., area and 2 officers of an office supply firm plead guilty to defrauding the government.

Oct. 6—GSA commissioner of the federal supply service Robert Graham submits his resignation to GSA administrator Jay Solomon, effective October 23.

Oct. 10—at a White House briefing, Vice President Walter Mondale makes public President Jimmy Carter's recommendations for \$250 million in improved benefits for veterans of the Vietnam War era.

Oct. 20—President Jimmy Carter names retired Lieutenant General George M. Seignious 2d as director of the Arms Control and Disarmament Agency, to succeed Paul Warnke, who announced his intention of resigning on October 10.

Oct. 24—Secretary of Health, Education and Welfare Joseph Califano, Jr., says that the government "will not encourage or assist the creation of new medical schools except under the most compelling circumstances." He hopes that medical schools "will gradually decrease the size of their classes."

Oct. 25—in a speech to the National Press Club in Washington, D.C., Central Intelligence Agency director Stansfield Turner says that the American public and the courts are beginning to question the press's "unfettered right to print and disclose." He calls this unfettered right "the number one threat" to intelligence operations.

Oct. 26—President Jimmy Carter selects Ralph Earle 3d as chief U.S. strategic arms limitation treaty (SALT) negotiator to replace Paul Warnke, whose resignation takes effect October 31.

Civil Rights

Oct. 6—in a 6-2 decision, the Supreme Court nullifies the stay granted to *New York Times* reporter M.A. Farber on September 26 by Associate Supreme Court Justice Potter Stewart.

Oct. 12—M.A. Farber is returned to jail for refusing to surrender his notes in the Mario Jasichevich murder trial.

Oct. 24—a New Jersey jury acquits Dr. Mario Jasichevich of murder. M.A. Farber is released from jail and the fines against the *New York Times* Company are suspended pending a Supreme Court review of the sentence imposed on Farber and the newspaper.

Economy

Oct. 6—the Labor Department reports a 0.9 percent

increase in its wholesale price index for September.

The Labor Department reports a slight increase in unemployment for September, to 6 percent.

Oct. 13—The Federal Reserve Board raises its discount rate to 8.5 percent.

Oct. 21—The Commerce Department reports that the gross national product (GNP) for the 3d quarter rose at a 3.4 percent annual rate while the inflation rate for September was 7.1 percent.

Oct. 24—Speaking on nationwide television, President Jimmy Carter announces his new voluntary wage-price guidelines to control inflation; he pledges to cut federal spending, sets a partial freeze on federal hiring and promises to reduce the cost of government regulation.

Oct. 25—President Jimmy Carter selects Civil Aeronautics Board Chairman Alfred Kahn to direct the new anti-inflation effort as chairman of the Council on Wage and Price Stability succeeding Robert Strauss.

Oct. 26—The Commerce Department reports that the U.S. trade deficit for September fell to \$1.69 billion.

Oct. 27—The Labor Department reports a 1.5 percent rise in its consumer price index for September.

Stocks close out 2 weeks of sharp decline on the N.Y. Stock Exchange; the Dow Jones average has dropped 91.04, the sharpest decline in recent memory.

Oct. 30—Treasury Secretary Michael Blumenthal and Budget Director James McIntyre report that the budget deficit for fiscal 1978 was \$48.76 billion and predict that in fiscal 1979, which began October 1, the deficit will fall to \$38.8 billion.

The Commerce Department reports that its index of leading economic indicators rose 0.9 percent in September.

Oct. 31—The dollar falls to record lows of 1.7220 German marks to the dollar and 175.50 Japanese yen to the dollar.

New York's Chase Manhattan Bank raises its prime interest rate to 10.5 percent.

Foreign Policy

(See *Intl., Middle East; Namibia; Rhodesia; Turkey; U.S.S.R.*)

Oct. 9—Secretary of State Cyrus Vance meets with Rhodesian Prime Minister Ian Smith in Washington, D.C., in an unsuccessful attempt to narrow their differences on the transition to black majority rule in Rhodesia. Smith is in the U.S. at the invitation of a group of U.S. Senators who persuaded the State Department to permit his visit.

Oct. 14—Secretary of State Cyrus Vance arrives in Johannesburg, South Africa, for talks on Namibia.

Labor and Industry

Oct. 20—Under a settlement negotiated with officials of the National Highway Traffic and Safety Administration, the Firestone Tire and Rubber Company agrees to recall some 10 million "500" series steel-belted radial tires and replace them free of charge.

Oct. 27—The General Motors Corporation reports record 3d quarter profits of \$528 million.

Oct. 31—In Washington, D.C., AFL-CIO President George Meany says that the organization will not agree to President Carter's voluntary program to control inflation; he calls for a special session of Congress to place mandatory controls on the economy.

Legislation

Oct. 3—The *Washington Post* reports that President Jimmy Carter signed the Diplomatic Relations Act on Septem-

ber 30; the act restricts the legal immunity of foreign embassy personnel in the U.S.

Oct. 4—President Carter vetoes the \$10.1-billion public works appropriations bill (passed September 27), which he terms inflationary.

Oct. 5—The House sustains President Carter's veto of the \$10.1-billion public works appropriation bill; the vote was 223 to 190 to override, 54 votes short of the necessary two-thirds majority.

Oct. 6—The White House reports that President Carter has signed a bill authorizing the expenditure of \$26.5 million a year (through 1981) for fish and wildlife conservation programs on federal lands; the President vetoed a similar bill earlier.

The House votes 365 to 8 to approve the Civil Service Reform Act; the Senate has approved the bill.

By a 60-36 vote, the Senate votes to extend the ratification deadline on the Equal Rights Amendment until June 30, 1982. The House agreed to the extension in August, voting 233 to 189.

Oct. 7—Representative Charles C. Diggs, Jr. (D., Mich.), is convicted in U.S. district court on 29 counts of mail fraud and illegal diversion of part of the salaries of his congressional employees to pay his own personal and congressional bills.

Oct. 12—Representative Daniel Flood (D., Pa.) is indicted by a federal grand jury in Washington, D.C., on conspiracy and bribery charges.

Oct. 13—President Jimmy Carter signs the Civil Service Reform Act.

The House votes to reprimand 3 House members, Edward Roybal (D., Cal.), Charles Wilson (D., Cal.) and John McFall (D., Cal.) for their involvement in the South Korean influence-buying scandal.

The House votes 287 to 123 to approve a bill imposing a tax on barge lines hauling freight on federally built or maintained waterways; the Senate passed the bill October 10 and the President is expected to sign it.

Oct. 14—The Senate votes 72 to 3 and the House votes 337 to 38 to approve an \$18.7-billion tax-cut bill that will reduce individual income taxes by \$13 billion, mostly in the middle and upper income bracket, and cut business taxes by \$3.6 billion and capital gains taxes by \$2.1 billion in 1979.

Voting 60 to 17 and 231 to 168 respectively, the Senate and House pass a 5-part energy bill, ending price controls on new natural gas by 1985, among other provisions.

A \$51-billion 4-year highway and mass transit program is approved by both houses of Congress.

Congress approves a \$7.3-billion foreign aid appropriation bill that includes U.S. support for an International Monetary Fund lending pool.

In last-minute efforts before adjourning today, the Senate and House pass a watered down version of the Humphrey-Hawkins full employment bill, establishing national goals of a 4 percent unemployment rate and a 3 percent inflation rate by 1983.

Oct. 18—President Jimmy Carter signs legislation increasing veterans benefits by 7.3 percent.

The President signs a \$56-billion appropriation bill for the Department of Health, Education and Welfare. The bill includes a ban on the use of federal funds for most abortions.

Oct. 19—President Jimmy Carter makes use of a "pocket veto" for the first time, refusing to sign a bill providing federal assistance to the aquaculture industry.

The President signs a \$27-billion appropriation bill

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containing a compromise public works program; this bill replaces the public works bill the President vetoed on October 4.

The President signs the Ocean Shipping Act of 1978. Oct. 23—President Carter signs 7 more bills, including legislation adding more than 1 million acres to the Minnesota Boundary Water Canoe Area and declaring it a wilderness area, and several measures aiding various Indian tribes.

Oct. 24—President Jimmy Carter signs the airline deregulation bill.

Oct. 25—Using his veto power for the 8th time, President Carter vetoes a \$7-billion bill that would provide low

interest loans to homeowners and small businessmen who are victims of natural disasters.

Oct. 26—The President signs the Humphrey-Hawkins "full employment" legislation. He also signs a 4-year extension of the Comprehensive Employment and Training Act (CETA).

President Carter signs an act that requires all federal employees in grades GS16 and above to disclose their financial position and how it was arrived at in detail each year.

Military

Oct. 2—The Pentagon releases figures showing that the U.S. sold a record \$13.6-billion worth of military equipment and services to foreign nations in fiscal 1978.

Oct. 18—President Carter announces that the U.S. will begin production of a new 8-inch nuclear shell and a Lance missile warhead that can be converted to neutron weapons.

Oct. 26—The Navy Department announces that 15 female naval officers will report for regular sea duty, ending a 202-year-old tradition.

Science and Space

Oct. 20—Scientists at Stanford University announce the first successful transplant of a functional gene from one mammal to another.

Supreme Court

(See *Civil Rights*)

VATICAN

Oct. 4—Funeral services are held for Pope John Paul I who died September 28.

Oct. 16—On the second day of balloting by the College of Cardinals, Cardinal Karol Wojtyla, archbishop of Krakow, Poland, is selected Pope. He chooses to be known as Pope John Paul II.

Oct. 22—Pope John Paul II is installed as head of the Roman Catholic Church.

VIETNAM

(See *Cambodia*)

WESTERN SAHARA

Oct. 20—Military sources in Morocco report that Saharan guerrillas belonging to the pro-Algerian Polisario Front have attacked the main town of Ayoun. This is the first Polisario attack since 1976.

YEMEN

Oct. 15—9 members of the Yemen army are killed in an unsuccessful attempt to overthrow the government of President Ali Abdullah Saleh; Saleh was appointed July 17 to succeed Ahmad Ghasmi, who was assassinated June 24.

ZAIRE

(See *Angola*)

ZAMBIA

(See also *Angola; Rhodesia; United Kingdom*)

Oct. 6—President Kenneth Kaunda announces the restoration of rail service that links South Africa and Zambia via Rhodesia.

Oct. 8—Rhodesian guerrilla leader Joshua Nkomo says his forces will respect Kaunda's decision to reopen rail traffic through Rhodesia. ■



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